

Securities Code No 6146

June 3, 2010

To: Shareholders

2-13-11 Omori-Kita, Ota-ku, Tokyo

Disco Corporation

Kazuma Sekiya Representative Director/President

Notice on the 71st Ordinary General Meeting of Shareholders

We are pleased to announce our 71st Ordinary General Meetings of Shareholders and cordially invite you to attend this Meeting. Further information is provided below in detail.

In the event that you are unable to attend the Meeting, please review the Reference Materials for the General Meeting of Shareholders contained below, indicate your approval or disapproval for each Proposal on the enclosed Form for the Exercise of Voting Rights, and return the Form to us by close of business (5:45 p.m.) on Thursday, June 24, 2010.

1. Date & Time: 2 P.M, June 25, 2010 (Friday)

2. Place: Disco Corporation Headquarters/R&D Center, Building A
Conference Room on the 8th Floor
2-13-11 Omori-Kita, Ota-ku, Tokyo
(Please see the “access map for the place of the Meeting”
shown below.)

3. Purposes of the Meeting

- Reporting:
1. The Business Report, Consolidated Financial Statements, and the Audit Reports from the accounting auditor and the Board of Corporate Auditors on the Consolidated Financial Statements for the 71st fiscal year (from April 1, 2009 to March 31, 2010)
 2. Financial Statements for the 71st fiscal year (from April 1, 2009 to March 31, 2010)

Agenda:

- Proposal 1 Appropriation of Retained Earnings
- Proposal 2 Resolution to approve the payment of bonuses to the members of the Board of Directors
- Proposal 3 Issuance of Share Acquisition Rights on Company Shares for the Purpose of Granting Stock Options upon Especially Favorable (Free) Terms

4. Matters decided for the General Meeting of Shareholders

Exercise of voting rights by proxy

Exercise of voting rights can be made by proxy through the appointment of another shareholder eligible for voting rights, subject to the submission of documentation certifying this voting by proxy.



- ⦿ The reception desk for the general meeting will open at 1:00 p.m. on the day.
- ⦿ Please make sure to bring the Form for the Exercise of Voting Rights enclosed here to the Reception Desk on the day of the Meeting.
- ⦿ Notice of the Meeting is also provided on the Company's website (<http://www.disco.co.jp/>) for your reference.

If any parts of the Reference Materials for the General Meeting of Shareholders, business reports, financial statements and/or consolidated financial statements require modification or revision, notification of such will be made on the website indicated above.

Consolidated Balance Sheet

(As of March 31, 2010)

(in Millions of Yen)

Assets		Liabilities	
Items	Amount	Items	Amount
Current Assets	62,926	Current Liabilities	22,784
Cash and cash equivalents	18,247	Notes and accounts payable – trade	12,557
Notes and accounts receivable - trade	23,087	Short-term loans payable	1,000
Merchandise and finished goods	5,007	Accrued income taxes	403
Work in progress	5,920	Reserve for employee's bonuses	1,851
Raw materials and supplies	7,612	Reserve for director's and corporate auditor's bonuses	61
Deferred tax assets	1,258	Allowances for warranties	197
Others	1,854	Others	6,713
Allowance for doubtful accounts	△63	Long-term Liabilities	13,437
Fixed Assets	61,364	Convertible bonds	10,000
Tangible Fixed Assets	53,678	Long-term loans payable	2,000
Buildings and structures	28,933	Reserve for employee's retirement benefits	777
Machinery, vehicles and delivery equipment	7,751	Reserve for director's retirement allowance	37
Tools, furniture and fixtures	714	Negative goodwill	119
Land	12,794	Others	501
Construction in progress	3,484	Total Liabilities	36,221
Intangible Fixed Assets	756	Net Assets	
Others	756	Shareholders' Equity	88,197
Investments and Other Assets	6,929	Capital stock	14,517
Investment securities	581	Capital surplus	15,604
Deferred tax assets	464	Retained earnings	59,141
Long-term deposits	5,200	Treasury stock	△1,065
Others	722	Valuation / translation gains (losses)	△829
Allowance for doubtful accounts	△38	Unrealized gain / loss on available-for-sale securities	11
Deferred Assets	22	Foreign currency translation adjustment	△841
Bond issue expenses	22	Share acquisition rights	589
Total Assets	124,313	Minority interests	134
		Total Net Assets	88,091
		Total Liabilities and Net Assets	124,313

Note: Figures are rounded down to the nearest million yen.

Consolidated Income Statement

(From April 1, 2009
To March 31, 2010)

(in Millions of yen)

Items	Amount
Net Sales	61,730
Cost of Goods Sold	33,038
Gross profit on sales	28,691
Selling, general and administrative expenses	24,023
Operating Income	4,667
Non-Operating Income	416
Interest income	60
Amortization of negative goodwill	89
Equity in earnings of affiliates	27
Subsidy income	37
Others	201
Non-operating Expenses	523
Interest expenses	346
Sales discounts	15
Losses on changes in foreign exchange rates	103
Others	58
Ordinary Income	4,560
Extraordinary Income	290
Gain on sales of fixed assets	2
Temporary layoff subsidy	248
Others	39
Extraordinary Expenses	805
Loss on sales and disposal of fixed assets	71
Loss on sales of investment securities	347
Special severance payments for early retired employees	112
Temporary layoff expenses	176
Others	97
Income before income taxes and minority interests	4,046
Income taxes - current	814
Income taxes - deferred	758
Minority interests	2
Net income	2,470

Note: Figures are rounded down to the nearest million yen.

Consolidated Statement of Changes in Net Assets

(From April 1, 2009
To March 31, 2010)

(in Millions of Yen)

Shareholders' equity	
Capital stock	
Balance at the end of the prior period	<u>14,517</u>
Change during the current period	<u>14,517</u>
Capital surplus	
Balance at the end of the prior period	15,599
Change during the current period	
Disposal of treasury stock	<u>5</u>
Total change during the current period	<u>5</u>
Balance at the end of the current period	<u>15,604</u>
Retained earnings	
Balance at the end of the prior period	57,342
Change during the current period	
Dividends	△ 672
Net income	<u>2,470</u>
Total change during the current period	<u>1,798</u>
Balance at the end of the current period	<u>59,141</u>
Treasury stock	
Balance at the end of the prior period	△ 1,071
Change during the current period	
Acquisition of treasury stock	<u>△ 0</u>
Disposal of treasury stock	<u>6</u>
Total change during the current period	<u>5</u>
Balance at the end of the current period	<u>△ 1,065</u>
Total shareholders' equity	
Balance at the end of the prior period	86,388
Change during the current period	
Dividends	△ 672
Net income	2,470
Share buyback	△ 0
Disposal of treasury stock	<u>12</u>
Total change during the current period	<u>1,809</u>
Balance at the end of the current period	<u>88,197</u>

(in Millions of Yen)

Valuation / translation gains (losses)	
Unrealized gain or loss on available-for-sale securities	
Balance at the end of the prior	0
Change during the current period	
Change in non-shareholders' equity items during the current period (net)	<u>11</u>
Total change during the current period	<u>11</u>
Balance at the end of the current period	<u>11</u>
Foreign currency translation adjustment	
Balance at the end of the prior period	△610
Change during the current period	
Change in non-shareholders' equity items during the current period (net)	<u>△230</u>
Total change during the current period	<u>△230</u>
Balance at the end of the current period	<u>△841</u>
Total valuation / translation gains (losses)	
Balance at the end of the prior period	△610
Change during the current period	
Change in non-shareholders' equity items during the current period (net)	<u>△219</u>
Total change during the current period	<u>△219</u>
Balance at the end of the current period	<u>△829</u>
Share acquisition rights	
Balance at the end of the prior period	421
Change during the current period	
Change in non-shareholders' equity items during the current period (net)	<u>168</u>
Total change during the current period	<u>168</u>
Balance at the end of the current period	<u>589</u>
Minority interests	
Balance at the end of the prior period	130
Change during the current period	
Change in non-shareholders' equity items during the current period (net)	<u>4</u>
Total change during the current period	<u>4</u>
Balance at the end of the current period	<u>134</u>
Total net assets	
Balance at the end of the prior period	86,328
Change during the current period	
Dividends	△672
Net income	2,470
Share buyback	△0
Disposal of treasury stock	12
Change in non-shareholders' equity items during the current period (net)	<u>△46</u>
Total change during the current period	<u>1,763</u>
Balance at the end of the current period	<u>88,091</u>

Note: Figures are rounded down to the nearest million yen.

Balance Sheet

(As of March 31, 2010)

(in Millions of Yen)

Assets		Liabilities	
Items	Amount	Items	Amount
Current Assets	52,251	Current Liabilities	20,308
Cash and cash equivalents	13,828	Notes payable - trade	3,889
Notes receivable - trade	974	Accounts payable - trade	7,531
Accounts receivable - trade	18,022	Short-term loans payable	1,000
Merchandise and finished goods	3,223	Accounts payable - other	4,978
Work in progress	5,664	Accrued expenses	495
Raw materials and supplies	7,033	Accrued income taxes	107
Deferred tax assets	1,015	Reserve for employee's bonuses	1,478
Others	2,585	Reserve for director's and corporate auditor's bonuses	61
Allowance for doubtful accounts	△98	Allowances for warranties	130
Fixed Assets	64,472	Others	636
Tangible Fixed Assets	50,281	Long-term Liabilities	13,118
Buildings	27,166	Convertible bonds	10,000
Structures	475	Long-term loans payable	2,000
Machinery and equipment	6,321	Reserve for employees' retirement benefits	626
Vehicles and delivery equipment	31	Others	492
Tools, furniture and fixtures	633	Total Liabilities	33,426
Land	12,195	Net Assets	
Construction in progress	3,456	Shareholders' equity	82,717
Intangible Fixed Assets	508	Capital stock	14,517
Patents	202	Capital surplus	15,604
Software	232	Additional paid-in capital	15,599
Others	73	Other capital surplus	5
Investments and Other Assets	13,682	Retained earnings	53,660
Investment securities	358	Retained earnings reserve	594
Stocks of subsidiaries/affiliates	4,142	Other retained earnings	53,066
Investment in subsidiaries/affiliates	1,255	Reserve for reduction of replacement assets	5
Deferred tax assets	518	Reserve for reduction of government subsidies	2
Long-term deposits	5,200	Other reserves	16,970
Others	2,228	Retained earnings brought forward	36,087
Allowance for doubtful accounts	△19	Treasury stock	△1,065
Deferred Assets	22	Valuation / translation gains (losses)	12
Bond issue expenses	22	Unrealized gain or loss on available-for-sale securities	12
Total Assets	116,746	Share acquisition rights	589
		Total net assets	83,319
		Total Liabilities and Net Assets	116,746

Note: Figures are rounded down to the nearest million yen.

Income Statement

(From April 1, 2009
To March 31, 2010)

(in Millions of Yen)

Item	Amount
Net sales	49,856
Cost of goods sold	27,941
Gross profit on sales	21,915
Selling, general and administrative expenses	19,780
Operating Income	2,135
Non-operating income	1,257
Interest income	60
Dividend income	985
Foreign exchange gain	1
Subsidy income	37
Others	172
Non-operating expenses	375
Interest expenses	312
Interest paid on bonds	29
Amortization of bond issue expenses	20
Sales discounts	2
Others	10
Ordinary Income	3,017
Extraordinary income	217
Gain on sales of fixed assets	0
Temporary layoff subsidy	196
Others	20
Extraordinary expenses	656
Loss on sales and disposal of fixed assets	72
Loss on sales of investments in securities	337
Special severance payments for early retired employees	109
Temporary layoff expenses	134
Others	2
Income before income taxes	2,578
Income taxes - current	192
Income taxes - deferred	708
Net Income	1,677

Note: Figures are rounded down to the nearest million yen.

Statement of Changes in Net Assets

(From April 1, 2009
To March 31, 2010)

(in Millions of Yen)

Shareholders' equity	
Capital stock	
Balance at the end of the prior period	14,517
Balance at the end of the current period	<u>14,517</u>
Capital surplus	
Additional paid-in capital	
Balance at the end of the prior period	15,599
Balance at the end of the current period	<u>15,599</u>
Other capital surplus	
Balance at the end of the prior period	-
Balance at the end of the current period	-
Disposal of treasury stock	<u>5</u>
Change during the current period	<u>5</u>
Balance at the end of the current period	<u>5</u>
Total capital surplus	15,599
Balance at the end of the prior period	15,599
Change during the current period	-
Disposal of treasury stock	<u>5</u>
Total change during the current period	<u>5</u>
Balance at the end of the current period	<u>15,604</u>
Retained earnings	
Retained earnings reserve	
Balance at the end of the prior period	594
Balance at the end of the current period	<u>594</u>
Other retained earnings	
Reserve for reduction of replacement assets	
Balance at the end of the prior period	34
Change during the current period	-
Reversal of reserve for reduction of replacement assets	<u>△28</u>
Total change during the current period	<u>△28</u>
Balance at the end of the current period	<u>5</u>
Reserve for reduction of government subsidies	-
Balance at the end of the prior period	3
Change during the current period	-
Reversal of reserve for reduction of government subsidies	<u>△0</u>
Total change during the current period	<u>△0</u>
Balance at the end of the current period	<u>2</u>
Other reserves	-
Balance at the end of the prior period	16,970
Change during the current period	<u>16,970</u>

(in Millions of Yen)

Retained earnings brought forward	
Balance at the end of the prior period	35,052
Change during the current period	
Reversal of reserve for reduction of replacement assets	28
Reversal of reserve for reduction of government subsidies	0
Dividends	△672
Net income	1,677
Total change during the current period	1,035
Balance at the end of the current period	36,087
Total retained earnings	
Balance at the end of the prior period	52,655
Change during the current period	
Dividends	△672
Net income	1,677
Total change during the current period	1,005
Balance at the end of the current period	53,660
Treasury stock	
Balance at the end of the prior period	△1,071
Change during the current period	
Acquisition of treasury stock	△0
Disposal of treasury stock	6
Total change during the current period	5
Balance at the end of the current period	△1,065
Total shareholders' equity	
Balance at the end of the prior period	81,700
Change during the current period	
Dividends	△672
Net income	1,677
Acquisition of treasury stock	△0
Disposal of treasury stock	12
Total change during the current period	1,016
Balance at the end of the current period	82,717
Valuation / translation gains (losses)	
Unrealized gain or loss on available-for-sale securities	
Balance at the end of the prior period	3
Change during the current period	
Change in non-shareholders' equity items during the current period (net)	9
Total change during the current period	9
Balance at the end of the current period	12
Share acquisition rights	
Balance at the end of the prior period	421
Change during the current period	
Change in non-shareholders' equity items during the current period (net)	168
Total change during the current period	168
Balance at the end of the current period	589
Total net assets	
Balance at the end of the prior period	82,124
Change during the current period	
Dividends	△672
Net income of the current period	1,677
Acquisition of treasury stock	△0
Disposal of treasury stock	12
Change in non-shareholders' equity items during the current period (net)	178
Total change during the current period	1,194
Balance at the end of the current period	83,319

Note: Figures are rounded down to the nearest million yen.

Reference Materials for the General Meeting of Shareholders

Proposal 1 Appropriation of Retained Earnings

It is proposed that the appropriation of retained earnings be as follows.

Matters related to the year-end dividend:

With respect to the dividend, the Company's fundamental policy is to pay dividends according to its business performance and to maintain an annual dividend level of at least ¥20 to ensure stable dividend payments even if its profitability is at a low level. Based on this fundamental policy, the Company proposes that the year-end dividend for the current year be ¥10 per share. (The annual amount will be ¥20 including the interim dividend).

The Company has a dividend policy to pay an additional dividend by using part of the excess of the balance of cash and cash equivalent over the budgeted funds necessary in the relevant year. As there was no such excess in the current fiscal year, however, no additional dividend will be provided.

(i) Type of assets to be distributed

Cash.

(ii) Matters on the allocation of assets to be distributed and the total amount thereof
¥10 per share of the Company's common stock

The total distribution is to be ¥336,070,720.

(iii) Effective date of the dividend from retained earnings

It is proposed that the dividend become effective on June 28, 2010

Proposal 2 Resolution to approve the payment of bonuses to the members of the Board of Directors

It is proposed that the bonuses to the members of the Board of Directors be as follows taking the business performance for the current period into account.

The bonus to each member of the Board of Directors has been calculated by first determining a base amount per position and then by multiplying the base amount by a coefficient correlated with the single and consolidated recurring profit margin. It is proposed that for the bonuses to the members of the Board of Directors for the current period, the sum of 61,190,000 yen calculated through this method, by multiplying the base amount for the 5 of 6 Directors as of the end of the period (except the director in charge of the Company's subsidiary) by a coefficient correlated with the business performance for the current period, is to be paid. It is proposed, however, that the bonus to be paid to each Director be determined solely by the Board of Directors.

Proposal 3 Issuance of Share Acquisition Rights on Company Shares for the Purpose of Granting Stock Options upon Especially Favorable (Free) Terms

We hereby ask for your approval to let the Board of Directors decide upon matters concerning the offering to issue Share Acquisition Rights with especially favorable terms to employees of the Company and directors and employees of the Company's subsidiaries (including second-generation subsidiaries) in accordance with the following outline, for the purpose of granting stock options pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act.

1. Outline of Issuance of Share Acquisition Rights:

- (1) Persons to whom Share Acquisition Rights will be allocated:
Employees of the Company and directors and employees of the Company's subsidiaries (including second-generation subsidiaries) ("Eligible Persons")

- (2) Class and number of shares to be issued upon exercise of Share Acquisition Rights:
Not more than 100,000 shares of the Company's common stock.
If any adjustment to the Exercise Price, as defined in (5), is made, after the issuance of Share Acquisition Rights, the number of shares to be issued upon the exercise of Share Acquisition Rights will be adjusted according to the following formula, provided, however, that such adjustment will pertain only to the number of shares subject to the Share Acquisition Rights that is not yet exercised at the relevant time and that any fractional shares of less than one arising from such adjustment will be rounded down.

$$\text{Number of Shares after adjustment} = \frac{\text{Number of shares before adjustment} \times \text{Exercise Price before adjustment}}{\text{Exercise Price after adjustment}}$$

- (3) Total number of Share Acquisition Rights:
 Not more than 1,000.
 (The number of shares per share acquisition right is 100 shares. If an adjustment to the number of shares prescribed in the foregoing (2) is made, then the same adjustment will be made to the number of shares per share acquisition right.)
- (4) Paid-in amount upon issuance of Share Acquisition Rights:
 Free of charge.
- (5) Amount to be paid in per share acquisition right upon exercising Share Acquisition Rights:
- (i) The amount to be paid in upon exercising Share Acquisition Rights will be an amount equal to the product of multiplying the paid-in amount per share to set forth below ("Exercise Price") by the number of shares per share acquisition right.
 The initial Exercise Price will be an amount equal to the product of multiplying 1.05 by the average of the closing share prices of the Company in regular transactions on the Tokyo Stock Exchange on the days (excluding the days on which transactions are not effected) in the calendar month immediately prior to the month including the issue date of Share Acquisition Rights, and any fraction of less than one yen will be rounded down, provided, however, that if such amount is less than the closing price on the issue date (or the closing price of the day immediately preceding the issue date if no transaction is effected on the issue date), the closing price on the issue date will be the initial Exercise Price.
- (ii) If a share split or consolidation is carried out by the Company after the issuance of Share Acquisition Rights, the Exercise Price will be adjusted in accordance with the following formula, and any fraction of less than one yen arising from such adjustment will be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

- (iii) If, after the issuance of Share Acquisition Rights, the Company issues new shares at a price lower than the market price (except the issuance of new shares by exercising Share Acquisition Rights), disposes of its own shares, or issues of Share Acquisition Rights or securities with Share Acquisition Rights attached that enable the acquisition of the Company's common stocks at a price lower than the market price, an adjustment to the Exercise Price will be made in accordance with the following formula, and any fraction of less than one yen arising from such adjustment will be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of outstanding shares} + \frac{\text{Number of new shares} \times \text{Paid-in amount per share}}{\text{Market price prior to issuance of new shares}}}{\text{Number of outstanding shares} + \text{Number of new shares}}$$

In the formula above, the "number of outstanding shares" is the total number of outstanding shares of the Company less the total number of treasury shares held by the Company, and in the event of disposal of any treasury shares, the "number of new shares," "paid-in amount per share" and "market price prior to issuance of new shares" are regarded as "number of shares disposed of," "disposition amount per share" and "market value before disposition," respectively.

- (iv) If the Company decides to reduce its capital stock or otherwise after the issuance of Share Acquisition Rights, the Company will, as required or applicable, make an appropriate adjustment to the Exercise Price to a reasonable and necessary extent.
- (6) Period during which Share Acquisition Rights may be exercised:
From November 12, 2012 to November 11, 2018.
- (7) Matters concerning an increase in capital stock and additional paid-in capital in the case of an issuance of shares upon exercise of Share Acquisition Rights
- (i) The increase in capital stock caused by the issuance of shares upon exercise of Share Acquisition Rights will be an amount equal to one half of the maximum increase in capital stock or the like calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Regulations, and any fraction less than one yen arising from such calculation will be rounded up.
- (ii) The increase in additional paid-in capital caused by the issuance of shares upon exercise of Share Acquisition Rights will be an amount calculated by deducting the increase in capital stock pursuant to (i) above from the maximum increase in capital stock or the like set forth in (i) above.

- (8) Terms of exercising Share Acquisition Rights:
- (i) Eligible Persons need to be directors or employees (including advisers or consultants) of the Company, or directors or employees of the Company's subsidiaries (including advisers or consultants) at the time of the exercise of Share Acquisition Rights, unless Eligible Persons have good reasons such as any resignation due to expiration of term of office or mandatory retirement. If Eligible Persons who are temporarily transferred from companies other than the Company or Company's subsidiaries to the Company or Company's subsidiaries return to their respective company due to cancellation of temporary transfer, they will be treated as they lost their position of directors or employees of the Company or Company's subsidiaries. If Eligible Persons who resigned due to expiration of term of office or mandatory retirement are re-employed as employees of the Company or Company's subsidiaries, they will not be treated as they lost their position of employees of the Company or directors or employees of Company's subsidiaries.
 - (ii) In the event of the death of an Eligible Person, any of their heirs may exercise the Share Acquisition Rights of the Eligible Person that have not been exercised at the time of death of the Eligible Person in accordance with an agreement on the allocation of Share Acquisition Rights that is separately entered into between the Eligible Person and the Company (hereafter referred to as the "Agreement on the Allocation of Share Acquisition Rights").
 - (iii) Pledge or other dispositions of Share Acquisition Rights are not accepted.
 - (iv) When it is not reasonable to allow an Eligible Person to exercise Share Acquisition Rights for the purposes of issuance of Share Acquisition Rights, for example when an Eligible Person violates laws or internal disciplines (including but not limited to the case when an Eligible Person is convicted due to criminal act, the case when an Eligible Person is liable for compensation to the Company pursuant to the provisions of Paragraph 1, Article 423 of the Companies Act, or the case when an Eligible Person is punitively dismissed), or when an Eligible Person becomes a director, auditor, employee, temporary worker, adviser or consultant of the Company's competitor, the Eligible Person is not able to exercise Share Acquisition Rights thereafter.
 - (v) Other terms and conditions for the exercise of Share Acquisition Rights shall be governed by the provisions of the Agreement on the Allocation of Share Acquisition Rights.

(9) Restriction on acquisition of Share Acquisition Rights through transfer
Acquisition of Share Acquisition Rights through transfer must be approved by the Board of Directors of the Company.

(10) Restriction on transfer of Share Acquisition Rights
Transfer of Share Acquisition Rights must be approved by the Board of Directors of the Company. However, this will not prevent setting other restrictions on transfer of Share Acquisition Rights in Agreement on the Allocation of Share Acquisition Rights.

(11) Termination of Share Acquisition Rights
If an Eligible Person has violated the terms of exercising Share Acquisition Rights, or has abandoned some or all of his or her Share Acquisition Rights, the said rights shall be deservingly terminated.

2. Reasons for the Necessity of Issuance of Share Acquisition Rights upon Especially Favorable Terms to Employees of the Company and Directors and Employees of the Company's Subsidiaries (including second-generation subsidiaries):

The free issuance of these Share Acquisition Rights to the Eligible Persons may be viewed as advantageous conditions. The Company believes, however, that it is necessary and will benefit the shareholders' interests because it is intended to improve the business performance of the Company by linking it with the interests of employees of the Company and directors and employees of the Company's subsidiaries, and thereby providing them with incentives to improve the business performance of the Company and making their interests coincide as much as possible with those of the shareholders.

Given that Share Acquisition Rights are issued for the purpose of granting stock options with which the Eligible Persons will receive profits through the exercise of their Rights according to the Company's business performance, the amount to be paid when the Share Acquisition Rights are exercised is to be the amount determined based on the market price of the Company's shares at the time of the issuance of Share Acquisition Rights as described in the above outline. In addition, the nature of the Share Acquisition Rights meets the purpose of stock options on the grounds of the restricted assignment of Share Acquisition Rights and the requirement for the Eligible Persons to be in the position of a director or an employee (including an adviser or a consultant) of the Company or a director or employee (including an adviser or a consultant) of the Company's subsidiaries at the time of the exercise of Share Acquisition Rights.