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August 8, 2011

Ichigo Group Holdings Co., Ltd. (JASDAQ, 2337)

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Issuance of Stock Options to Directors & Employees

Ichigo Group Holdings Co., Ltd. (“Ichigo”) resolved at a meeting of its Board of Directors today to issue stock options to its directors and employees via its tenth stock acquisition rights plan (the “Stock Options”) pursuant to Articles 236, 238 and 240 of the Companies Act.

1. Reason for Issuance of the Stock Options

Ichigo is working to improve its financial performance, enhance corporate value, and contribute to shareholder returns. Ichigo is thus issuing stock acquisition rights to improve performance and align the interests of directors and employees with its shareholders.

These Stock Options are issued with the condition that they may only be exercised if either the full amount of 61,693 shares or 616,930,000 yen is bought back in the share buyback announced today in the release “Share Buyback and Cancellation.”

2. Details of the Stock Options

(1) Share Count and Type

20,000 common shares

If Ichigo conducts stock splits or consolidations, adjustment shall be made in accordance with the following formula:

$$\begin{array}{ccccc} \text{Number of shares} & = & \text{Number of shares} & \times & \text{Split or} \\ \text{after adjustment} & & \text{before adjustment} & & \text{consolidation ratio} \end{array}$$

Such adjustment shall be made only with respect to Stock Options not yet exercised at the time of such adjustment, and any number of shares less than one share resulting from such

adjustment shall be disregarded. If any other events happen which require the adjustment of the number of shares to be issued, the number of shares to be issued upon exercise shall be reasonably adjusted taking into consideration the terms and conditions of the specific event.

(2) Number of Stock Options

20,000

One stock option will entitle the holder thereof to acquire 1 share, provided that when the adjustment set out in (1) above is made, such number shall be also adjusted accordingly.

(3) Issue Price of the Stock Options

Zero

The Stock Options are granted as incentive compensation and do not constitute a “preferred issuance” of shares.

(4) Exercise Price of Stock Options

¥11,000, Ichigo’s approximate net assets per share as of the end of May 2011.

However, if ¥11,000 is less than 110% of the closing price of Ichigo shares on the day before the issue date of the Stock Options (if there is no closing price on such day, 110% of the closing price on the day immediately preceding such day), the exercise price shall be adjusted upward to 110% of the closing price on the day of issuance of the Stock Options.

The amount to be paid upon exercise of each Stock Option shall be the exercise price multiplied by the number of shares, as provided in (2) above.

If there are stock splits or consolidations after issuance of the Stock Options, the Exercise Price shall be adjusted in accordance with the following formula and rounded up to the nearest one (1) yen.

$$\begin{array}{lcl} \text{Exercise price} & = & \text{Exercise price} \times \frac{1}{\text{Split/consolidation ratio}} \\ \text{after adjustment} & & \text{before adjustment} \end{array}$$

Provided, further, that in the event of any issuance by Ichigo of new shares or any disposition of its own shares of common stock at a price less than the market price thereof (excluding issuance or disposition as a result of exercise of the Stock Options), the Exercise Price shall be adjusted in accordance with the following formula and rounded up to the nearest one (1) yen.

$$\begin{array}{lcl} \text{Exercise price} & = & \text{Exercise price} \times \frac{\text{Shares outstanding} + \frac{\text{Increase in number of shares} \times \text{Issue price}}{\text{Price per share before new issue}}}{\text{Shares outstanding} + \text{Increase in number of shares}} \\ \text{after adjustment} & & \text{before adjustment} \end{array}$$

(5) Exercise Period for the Stock Options

August 9, 2013 – August 8, 2018

(6) Conditions for Exercise of Stock Options

- a. Ichigo must fully complete its buyback of 61,693 shares in the share buyback approved on August 8, 2011.
- b. In order to exercise Stock Options, the person who has been allocated such Stock Options (the “Stock Option Holder”) must be a member of the board of directors, statutory executive officer, corporate auditor or employee of Ichigo or a subsidiary thereof at the time of exercise, except when the Company acknowledges that the exercise of the Stock Options by an Stock Option Holder is reasonable.
- c. Each Stock Option may not be inherited nor pledged.
- d. In the event of the death of the Stock Option Holder, the heir(s) thereof may exercise inherited Stock Options.
- e. Other terms and conditions shall be provided in an agreement between Ichigo and each Stock Option Holder.

(7) Treatment of Paid-In Capital and Capital Surplus

The increase in paid-in capital in the event of issuance of shares upon the exercise of the Stock Options shall be 1/2 of the maximum amount of capital increase, calculated in accordance with Article 17, Paragraph 1 of the Regulations for Corporate Accounting. Fractions less than one (1) yen resulting from the calculation shall be rounded up. The increase in the capital surplus shall be the amount obtainable by subtracting the amount of the paid-in capital increase from the maximum amount of the capital increase.

(8) Restrictions on Transfer and Acquisition

Transfer and acquisition of the Stock Options shall be subject to approval by resolution of the Board of Directors of Ichigo.

(9) Ichigo’s Right of Acquisition of the Stock Options

If a Stock Option Holder no longer holds his/her position as a member of the board of directors, statutory executive officer, corporate auditor or employee of Ichigo or a subsidiary, or in any other case in which an Stock Option Holder is no longer able to exercise his/her rights, Ichigo can acquire the Stock Options. In the event that a merger or demerger (after which Ichigo ceases to exist) is approved at a meeting of shareholders, Ichigo will have the right to obtain Stock Options free of charge.

(10) Stock Options Newly Issued upon Corporate Restructuring

If Ichigo engages in any merger, corporate split in which a division is merged into an existing company, corporate split in which a division is spun off to establish a new company, or an

exchange or transfer of shares (after which Ichigo ceases to exist, collectively the "Restructuring Actions"), each person holding the remaining Stock Options at the time of the Restructuring Actions take effect (the "Remaining Stock Options") shall be granted the Stock Options of the relevant reorganized company.

a. Type of Shares of the Reorganized Company to be Issued for the Stock Options

Common shares

b. Number of the Stock Options of a Reorganized Company to be Granted

The number of shares shall be determined after taking into consideration the conditions or other factors concerning the Restructuring Actions. The number of shares will be rounded up to the nearest one (1) yen

c. Exercise Amount

The amount to be paid upon the exercise of newly granted Stock Options shall be the amount obtainable by multiplying the Exercise Price to be adjusted after taking into consideration the conditions and other factors concerning the Restructuring Actions by the number of shares to be issued for each Stock Option.

d. Exercise Period, Conditions, and Ichigo's Acquisition Rights for the Stock Options

The Exercise Period, conditions, and Ichigo's Acquisition Rights for the Stock Options will be determined at the time the Restructuring Actions take effect.

e. Restriction on Transfer and Acquisition

Transfer and acquisition of the Stock Options shall be subject to approval by resolution of the board of directors of Ichigo.

(11) Issuance of Stock Option Certificates

Stock Option certificates will be issued if requested by the Stock Option Holder.

(12) Issue Date of the Stock Options

September 1, 2011

(13) Number of Individuals to whom the Stock Options are Offered

Seven directors, six statutory executive officers, and one hundred employees of Ichigo.

Three directors who receive no compensation from Ichigo (Scott Callon, Rob Crawford, and Makoto Fukuhara) are not eligible for the Stock Options.

(14) Other Conditions

Other terms and conditions of the Stock Options shall be provided in a separate agreement.

Note: The issuance of Stock Options to Ichigo's board of directors and statutory executive officers was approved at a Compensation Committee meeting held on August 8, 2011.