

February 24, 2011

Press Release

Company name: Future Architect, Inc.
Code: 4722, Tokyo Stock Exchange, Section 1
Representative: Shin Yasunobe, President & COO
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Notice of Amount and Details of Stock Option Compensation for Directors

Future Architect, Inc. (“the Company”) decided at its Board of Directors meeting held on February 24, 2011 to submit a proposal concerning the amount and details of stock option compensation for Directors of the Company for approval at the 22nd Ordinary General Meeting of Shareholders to be held on March 22, 2011.

1. Reasons for issuing stock acquisition rights for Directors

The Company will issue stock acquisition rights as stock options for its Directors, as compensation for their services, to enhance their motivation and morale for improving the Company’s business performance and provide them with an incentive to further increase corporate value.

2. Details of the proposal

(1) Amount of stock option compensation

At the 18th Ordinary General Meeting of Shareholders held on March 22, 2007, it was approved that the amount of compensation for Directors of the Company shall be up to 500 million yen per year (excluding employee salaries paid to Directors who concurrently serve as employees), which has continued to the present. Other than the said amount of compensation for Directors, we will request an approval for the proposal that stock acquisition rights will be issued as stock options, in an annual amount of up to 50 million yen, as compensation for Directors of the Company.

An outline of the stock acquisition rights to be issued as stock options, in an annual amount of up to 50 million yen, every fiscal year is described below. The details of specific issuance and allotment of the stock acquisition rights will be determined by a resolution of the Board of Directors, taking into account factors such as each Director’s duties.

The amount of stock option compensation for Directors is obtained by multiplying the fair value of each stock acquisition right on the allotment date by the total number of stock acquisition rights to be allotted. The fair value of each stock acquisition right on the allotment date is calculated using the formula generally used for computing the fair value of stock acquisition rights.

(2) Details of stock acquisition rights as stock options

1) Type and number of shares to be issued upon the exercise of stock acquisition rights

The number of shares for each stock acquisition right (“number of shares granted”) shall be 1 share of the Company’s common stock, and the maximum number of shares to be issued due to the exercise of stock acquisition rights shall be up to 2,500 shares.

If the Company conducts a stock split or stock consolidation, the number of shares to be granted and

the maximum number of shares to be issued due to the exercise of stock acquisition rights shall be adjusted according to the following formula. However, such adjustment shall be implemented with respect to the number of shares granted due to the exercise of stock acquisition rights that have not been exercised at the time of such stock split or consolidation, and fractions less than one share resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split (or stock consolidation)

2) Maximum number of stock acquisition rights to be issued

Up to 2,500

3) Amount to be paid for stock acquisition rights

No payment shall be required for stock acquisition rights.

4) Amount to be invested when exercising each stock acquisition right

The amount to be invested when exercising each stock acquisition right shall be the amount to be paid for each share that can be granted due to the exercise of stock acquisition rights (“exercise price”) multiplied by the number of shares granted. The exercise price shall be calculated by multiplying 1.05 by the average closing price of the Company’s common stock in regular transactions on the Tokyo Stock Exchange on each day (excluding any day when no trading is conducted) of the month immediately preceding the month to which the date of allotment of stock acquisition rights belongs, and amounts less than one yen shall be rounded up. However, if the exercise price calculated is less than the closing price of the Company’s stock on the date of allotment of stock acquisition rights (or the closing price on the previous day unless trading is conducted), the closing price shall become the exercise price

If the Company conducts a stock split or consolidation, the exercise price shall be adjusted according to the following formula, and amounts less than one yen resulting from the adjustment shall be rounded up.

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

If the Company issues common shares or retires treasury shares at less than market prices, the exercise price shall be adjusted according to the following formula, and amounts less than one yen resulting from the adjustment shall be rounded up. However, no adjustment shall be made if the exercise of stock acquisition rights and capital increase are made through public offering at fair issue price.

$$\begin{array}{r}
 \text{Exercise price after adjustment} \\
 = \\
 \text{Exercise price before adjustment} \\
 \times \\
 \text{Number of shares issued} \\
 \times \\
 \frac{\text{Number of shares newly issued (or Number of treasury shares disposed of)} + \text{Amount paid per share}}{\text{Market price per share}} \\
 \times \\
 \frac{\text{Number of shares issued} + \text{Number of shares newly issued (or Number of treasury shares disposed of)}}{\text{Number of shares issued} + \text{Number of treasury shares disposed of)}}
 \end{array}$$

In the above formula, the “Number of shares issued” shall be defined as the number of outstanding shares of the Company less the number of treasury shares held by the Company.

In other cases where the exercise price needs to be adjusted, such as a merger with any other company, corporate separation and capital reduction, the exercise price shall be adjusted, where necessary, to a reasonable extent.

5) Period for exercise of stock acquisition rights

The exercise period shall be within five years from the allotment date of stock acquisition rights, and the specific period shall be determined by the Board of Directors.

6) Restriction on transfer of stock acquisition rights

Acquisition of stock acquisition rights by transfer shall be approved by the Board of Directors.

7) Other details of stock acquisition rights

Other than the above, the stock acquisition right offering and relevant particulars (and additional matters related to items (1) to (6)) shall be determined at the Board of Directors.

- Any questions relating to the above press release should be directed to:

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