



### Notice Concerning Granting of Stock Options (Stock Acquisition Rights) (July 28, 2009)

Subsequent to approval of a resolution adopted at the 86th Ordinary General Meeting of Shareholders, the Board of Directors of Aisin Seiki Co., Ltd. (hereinafter referred to as the "Company") decided at a meeting held on July 27, 2009 the specific details applicable to issuance of stock acquisition rights as stock options pursuant to Articles 236, 238 and 239 of the Corporate Law.

Additionally, the amount payable upon exercise of the stock subscription rights and other matters to be determined as necessary will be resolved by the scheduled issue date of the respective stock acquisition rights on August 7, 2009.

#### 1. Reasons for Issuance of Stock Acquisition Rights without Charge

The Company shall issue stock acquisition rights without charge in order to provide incentive and raise morale of the Company and its subsidiaries, thereby contributing to improving performance and increasing the consolidated corporate value of the Company and its subsidiaries (Aisin Seiki Co., Ltd., Aisin Takaoka Co., Ltd., Aisin Chemical Co., Ltd., Aisin AW Co., Ltd., Aisin Keikinzo Co., Ltd., Aisin Development Co., Ltd., Aisin Kiko Co., Ltd., Aisin AI Co., Ltd., Aisin Sin'ei Co., Ltd., Aisin AW Industries Co., Ltd. Hosei Brake Industry Co., Ltd. and ADVICS Co., Ltd.).

#### 2. Type and number of shares under stock acquisition rights, 1,114,000 ordinary shares of the Company

However, in the event that adjustments are made to the number of shares to be allotted by exercise of stock acquisition rights in accordance with Paragraph 3. below (including cases where the Company's shares are transferred in lieu of issue, hereinafter the same), the maximum number shall be adjusted to the number of shares obtained by multiplying the number of shares after adjustment by the maximum number of stock acquisition rights.

#### 3. Total number of stock acquisition rights

11,140 (100 shares per stock acquisition right)

The number of shares per each stock acquisition right (hereinafter referred to as "number of allotted shares") shall be 100 shares. However, in the event that the Company carries out a stock split (inclusive of the gratis allotment of the Company's ordinary shares, the same hereinafter in relation to stock splits) after the date upon which the number of allotted shares to be acquired are granted upon exercise of stock acquisition rights, or reverse stock split, the number of allocated shares shall be adjusted by using the formula indicated below. However, this adjustment shall apply exclusively to the number of unexercised shares under stock acquisition rights at the point of time in question, and fractional amounts of less than one share arising from this adjustment shall be discarded

$$\text{[Number of shares after adjustment]} = \text{[Number of shares before adjustment]} \times \text{[(Reverse) Stock split ratio]}$$

#### 4. Persons to whom stock acquisition rights will be granted and number of rights to be allocated

Person to whom stock acquisition rights will be granted	Persons	Total number of rights to be allocated

Company Directors	15	3,930
Company Managing Officers	21	2,730
Directors of the Company's subsidiaries	99	4,480
Total	135	11,140

Additionally, in accordance with a regulation stipulated in Article 242-2 of the Corporate Law, the allocation of rights to persons whom stock acquisition rights will be granted (hereinafter referred to as "number scheduled for allotment") shall be carried out contingent upon on the condition of acceptance of the number of acquisition rights should that number exceed the number scheduled for allotment. Conversely, in the case where the number of acquisition rights offered is less than the number scheduled for allotment, the reduced number of rights shall be the total number of rights to be issued.

#### 5. Issue price of stock acquisition rights

The stock acquisition rights based on a resolution at a meeting of the Board of Directors will be issued for no consideration.

#### 6. Amount payable upon exercise of the stock acquisition rights

The amount payable upon exercise of each stock acquisition right shall be obtained by multiplying the price paid per share granted (hereinafter "exercise price") by the number of allotted shares, as prescribed below:

The exercise price shall be 1.05 times the average closing price for the Company's ordinary shares on the Tokyo Stock Exchange on each day (excluding days on which no trading is conducted) of the month immediately preceding the date on which the stock acquisition rights are issued, with any fractional yen amounts of less than one yen to be rounded up to the nearest yen. However if this amount is less than the closing price of the Company's common stock on the date that stock acquisition rights are issued, the closing price for that day will be the exercise price.

Adjustments to the exercise price shall be made as follows:

(1) In the event, the Company implements a stock split or reverse split after the date on which stock acquisition rights are issued, the exercise price will be adjusted according to the following formula, with fractional amounts of less than one yen resulting from such adjustments to be rounded up to the nearest yen.

$$[\text{Exercise price after adjustment}] = [\text{Exercise price before adjustment}] \times \frac{1}{[(\text{Reverse}) \text{ Stock split ratio}]}$$

(2) In the event that the Company issues new shares or divests its treasury stock (excluding any exercise of stock acquisition rights) at a price below the market price after the date on which stock acquisition rights are issued, the exercise price shall be adjusted according to the following formula, with fractional amounts of less than one yen resulting from such adjustments to be rounded up to the nearest yen.

$$[\text{Exercise price after adjustment}] = [\text{Exercise price before adjustment}] \times \frac{(\text{Number of new shares to be issued}) \times (\text{Amount to be paid per share}) + (\text{Number of outstanding shares}) \times (\text{Market price})}{(\text{Number of outstanding shares}) + (\text{Number of new shares to be issued})}$$

In the above price adjustment formula, the "number of outstanding shares" shall exclude treasury stock held by the Company. In the event that the Company decides to divest its treasury stock, the "number of new shares to be issued" shall be replaced by the "number of treasury stock to be divested."

**7. Issue date of stock acquisition rights**

August 7, 2009

**8. Exercise period of the stock acquisition rights**

The exercise period will be from August 1, 2011 to July 31, 2015

**9. Conditions to the exercise of stock acquisition rights**

(1) Partial exercise of stock acquisition rights shall be permitted only to the extent of obtaining integral multiple units of the number of shares under the objectives of the stock acquisition rights.

(2) Other conditions for the exercise of stock acquisition rights shall be provided for in a Stock Acquisition Rights Allotment Agreement to be entered into between the Company and each recipient of the stock acquisition rights, subject to approval of the issuance of stock acquisition rights at the Ordinary General Meeting of Shareholders and a resolution at a meeting of the Board of Directors held thereafter.

**10. Events and conditions for cancellation of stock acquisition rights**

In cases where a proposal is approved at the Ordinary General Meeting of Shareholders for a merger agreement, under which the Company is to become a dissolving entity; or a share exchange agreement, under which the Company will become a wholly owned subsidiary; or an share transfer agreement, under which the Company will become a wholly owned subsidiary, the Company may acquire, free of charge, stock acquisition rights, at a date separately stipulated by the Board of Directors.

**11. Restrictions on the transfer of stock acquisition rights**

Approval by the Board of Directors of the Company shall be required for the transfer of stock acquisition rights.

**12. Matters concerning the increase of capital and capital reserves accompanying the issue of shares as a result of the exercise of stock acquisition rights**

(1) In the event of the issue of shares as a result of the exercise of stock acquisition rights, the amount of capital increase shall be one-half of the maximum limit for increases in capital, etc., stipulated in Article 17, Paragraph 1 of the Corporate Accounting Rules, with fractional amounts of less than one yen resulting from such calculation to be rounded up to the nearest yen.

(2) In the event of the issue of shares as a result of the exercise of stock acquisition rights, the amount of capital reserves to be added shall be determined by subtracting the increase in capital, as stipulated in 1) above, from the maximum limit for increases in capital, etc., as per 1) above.

**13. Handling of fractional shares**

In the event that there are fractional amounts of less than one share in the number of allotted shares to those who exercise stock acquisition rights, such amounts shall be discarded.

**[Reference]**

(1) Date of resolution at a meeting of the Board of Directors to be approved by the Ordinary General Meeting of Shareholders: May 25, 2009

(2) Date of approval of the resolution at the Ordinary General Meeting of Shareholders: June 19, 2009