

May 18, 2004

To Whom It May Concern:

MARUBUN CORPORATION

Name and Title of Representative: Takashi Sato, CEO and Representative Director

(Code No. 7537; Tokyo Stock Exchange, First Section)

Contact: Yoshikazu Kurokawa, Executive Vice President and Director of Business Administration Division

NOTICE OF STOCK OPTION ISSUE

(Issuance of Common Stock Acquisition Rights
based on Sections 20 & 21, Article 280, the Commercial Code of Japan)

Marubun Corporation resolved at a meeting of its board of directors held today (May 18, 2004) that a plan to issue stock options to the company's directors and employees as well as to the directors of its subsidiaries according to the details shown below pursuant to Sections 20 and 21, Article 280 of the Commercial Code of Japan would be submitted for approval at the 57th ordinary general meeting of shareholders to be held on June 29, 2004.

1. Reasons for issuance of Common Stock Acquisition Rights at advantageous terms to persons other than Shareholders

The stock options will be offered to Marubun Corporation's directors and employees as well as to the directors of its subsidiaries in order to motivate them for further improvement of the group companies' performances through incentives.

2. Terms of the issue

(1) Persons eligible for

Marubun Corporation's directors and employees as well as to the directors of its subsidiaries

(2) Types and numbers of shares to be issued or transferred for Common Stock Acquisition Rights

Up to 160,000 shares of Marubun Corporation's common stocks

The number of shares shall be adjusted according to the following formula when the company is to split or consolidate stocks. However, during such an adjustment, any fractional number of the stocks, which are the objects of Common Stock Acquisition Rights and for which the stock option rights have not been exercised at the time of the adjustment, shall be discarded.

Number of shares after adjustment =
number of shares before adjustment × ratio of split/consolidation

(3) Total number of Rights to be issued

Maximum number of Rights to be issued is 1,600.

(The number of shares to be issued or transferred upon exercise of each right shall be 100. However, if a stock adjustment is executed as defined in (2) above, a similar adjustment shall be made.)

(4) Issue price of Rights

No consideration shall be paid.

(5) Amount to be paid in for exercise of Rights

The exercise price shall be 1.05 times the average of closing prices of the company's common stock at the Tokyo Stock Exchange for each day (excluding days on which there is no such closing price) of the full calendar month prior to the issuance of the rights. Any fraction less than one yen arising as a result of such calculation shall be rounded up to the nearest whole number. If the calculated price is less than the closing price on the day of issuance of the rights (if there is no closing price on such date, then the closing price on the immediately preceding trading day), the exercise price shall be the closing price on the day of issuance of the rights.

If stock split or issuance of new stocks occurs, the exercise price shall be adjusted according to the following formula and any fraction less than one yen arising as a result of such calculation shall be rounded up to the nearest whole number yen.

Exercise price after adjustment =

$$\text{Exercise price before adjustment} \times \left[\frac{(\text{number of outstanding shares}) + \{(\text{number of newly issued shares}) \times (\text{exercise price per share}) \div (\text{price before split/new issue})\}}{(\text{number of outstanding shares}) + (\text{number of shares increased by split/new issue})} \right]$$

(6) Period for exercising Rights

July 1, 2006 through June 30, 2008

(7) Conditions for exercising Rights

- 1) A person to be awarded common stock acquisition right ("Common Stock Acquisition Rights Recipient") must be a director, an auditor or an employee of Marubun Corporation or a director of its subsidiary at the time of when the right is exercised.
- 2) Common stock acquisition rights cannot be transferred, pledged, inherited or otherwise disposed.
- 3) Common Stock Acquisition Rights Recipient can exercise all or part of received stock acquisition rights. However, Common Stock Acquisition Rights cannot be partially exercised when the number of shares to be issued is less than one unit of shares of Marubun Corporation.

4) Other conditions shall be stipulated in the “Agreement on Allocation of Common Stock Acquisition Rights” to be executed between the company and the Common Stock Acquisition Rights Recipient based on the resolution of said general meeting of shareholders and the board of director’s meeting.

(8) Reasons and conditions for cancellation of Rights

1) When a merger agreement that makes the company a defunct company or a plan to approve a stock exchange contract or a stock transfer contract, which makes the company a wholly owned subsidiary of another company, is approved by the general meeting of shareholders, the right can be cancelled without any compensation.

2) When a Common Stock Acquisition Rights Recipient becomes unqualified for exercising the right, or a Recipient abandons a portion or the entire right, the right of said person can be cancelled without any compensation.

3) When a Common Stock Acquisition Rights Recipient fails to exercise its right within the period defined in (6), said right can be cancelled without any compensation.

(9) Limitation on the transfer of Rights

Any transfer of Common Stock Acquisition Rights must be approved by the board of directors.

(Note) The issuance of Common Stock Acquisition Rights depends on the approval of “Proposal for Issuance of Common Stock Acquisition Rights as Stock Options” at the 56th ordinary general meeting of shareholders to be held on June 29, 2004.