

This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.



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To Whom It May Concern

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Notice of introduction of share-based compensation with restriction on transfer

At today's Board meeting, the Board of Directors reviewed the current officers' compensation plan and passed a resolution approving the introduction of a plan of share-based compensation with restriction on transfer (hereinafter referred to as the "Plan"). We hereby notify you that proposals related to the Plan will be presented at the 42nd Annual General Meeting of Shareholders to be held in June 2022 (hereinafter referred to as the "General Meeting of Shareholders") as follows.

1. Purposes for, and conditions of, the introduction of the Plan

(1) Purposes for introduction

This Plan will be introduced for the purposes of providing incentives for our directors (excluding directors who are Audit and Supervisory Committee Members and outside directors; hereinafter referred to as “Subject Directors”), including those who will be elected in the future, to encourage them to make continuous efforts to improve the corporate value of our company as well as promoting further sharing of our values with our shareholders.

(2) Conditions of introduction

This Plan will allow us to pay compensation to the Subject Directors in the form of monetary compensation claims for granting of our shares with restriction on transfer, and thus, the introduction of this Plan is contingent on our shareholders' approval of the payment of such compensation at the General Meeting of Shareholders.

The amount of monetary compensation to our directors (excluding those who are Audit and Supervisory Committee Members) is currently limited to 350 million ven (limited to 35 million ven

for outside directors) per year, as approved at the 41st Annual General Meeting of Shareholders held on June 18, 2021. At the General Meeting of Shareholders, we will be asking our shareholders to approve the introduction of this Plan and setting of the limit of amount of compensation to be paid to the Subject Directors under this Plan, which will be separate from the current limit of monetary compensation amount.

2. Summary of this Plan

The Subject Directors will pay in the entire monetary compensation claims paid by the company under this Plan as a payment in kind, and receive our company's common shares which will be newly issued or disposed of.

The total amount of compensation to be paid to the Subject Directors for granting shares with restriction on transfer under this Plan will be limited to 25 million yen per year, which is separate from the current limit of compensation for directors. The total number of common shares of our company to be issued or disposed of under this Plan will be 17,000 shares per year (if the number of shares needs to be adjusted under unavoidable circumstances such as when share split and share consolidation is made to our common shares, the number of shares to be issued or disposed of may be reasonably adjusted).

To realize one of the purposes of the introduction of this Plan, which is to share shareholders' value, the period of restriction on transfer will be from the day of granting of shares with restriction on transfer to the day the relevant director loses the status of director of our company or any other status specified by the Board of Directors. Specific time and distribution of payment to each Subject Director will be determined by the Board of Directors.

The amount to be paid in per common share of the company which will be issued or disposed of under this Plan will be determined by the Board of Directors based on the closing price of common shares of the company on the Tokyo Stock Exchange on the business day immediately preceding the day of the Board of Directors' resolution (if there is no trading on that day, the closing price on the trading day immediately preceding such day) and will be within the range that is not specifically favorable to the Subject Directors.

Furthermore, when issuing or disposing of common shares of the company under this Plan, the company will enter into an agreement with the Subject Directors concerning allotment of shares with restriction on transfer (hereinafter referred to as the "Allotment Agreement"), which will contain the following terms and conditions:

- 1) The Subject Directors shall not transfer, pledge, or otherwise dispose of the common shares of the company allotted to the Subject Directors under the Allotment Agreement for a predetermined period; and
- 2) The company may acquire said common shares without charge if certain events occur.

3. Application to executive officers of the company

We are planning to introduce a plan to grant shares with restriction on transfer similar to the

Plan for executive officers of the company on the condition that the introduction of this Plan is approved by the General Meeting of Shareholders.

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