



December 22, 2020

To whom it may concern,

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**Notification on issuance of new shares with restriction on transfer for outside directors who do not belong to the audit committee**

At the meeting of the board of directors held today, our company has resolved to issue new shares with restriction on transfer (hereinafter referred to as “Issuance of New Shares”), as described below.

1. Outline of the issuance

(1) Payment date	January 22, 2021
(2) Type and number of shares to be issued	Common shares; 1,000 shares
(3) Issue price	8,880 yen/share
(4) Total amount	8,880,000 yen
(5) Holders of new shares	2 outside directors* of our company; 500 shares each  *Excluding outside directors who belong to the audit committee

2. Purpose and reason for the issuance

At the meeting of the board of directors held on November 6, 2020, our company resolved to adopt a system for giving stock-based compensation with restrictions on share transfer (hereinafter referred to as “the System”) as a new system for remunerations for outside directors of our company who do not belong to the audit committee (hereinafter referred to as “Outside Directors”), for the purpose of giving incentives for preventing the degradation of our corporate value and maintaining

reliability by sharing value with shareholders. In addition, at the 8<sup>th</sup> annual meeting of shareholders held on December 10, 2020, it was approved that monetary claims of up to 20 million yen per year would be given to Outside Directors as properties contributed in kind related to the provision of shares with restriction on transfer, outside the budget for existing monetary compensation, through the System, and that the transfer restriction period of shares with restriction on transfer would be between about 1 year and about 5 years specified by the board of directors.

The outline of the System is as follows.

<Outline of the System>

The directors will pay all monetary claims provided by our company through the System as properties contributed in kind, to make common shares of our company issued or disposed of.

The total number of common shares of our company to be issued or disposed of for Outside Directors through the System will be up to 2,000 per year, and the payment amount per share will be determined by the board of directors with reference to the closing price of common shares of our company at Tokyo Stock Exchange on the business day preceding the date of resolution of the board of directors (if transactions are not finished on that date, the closing price on the latest trading day preceding said date will be used), so that said amount will not become beneficial to directors who would receive allocated shares.

For issuing or disposing of common shares of our company through the System, our company will conclude a contract for allocation of shares with restriction on transfer with Outside Directors who would receive allocated shares. Said contract will include the following items:

- (1) Said directors shall not conduct transfer, security right setting, or any other disposal for the allocated common shares of our company for a specified period.
- (2) If there emerges a certain reason, our company will acquire said common shares free of charge.

This time, our company has provided 2 Outside Directors of our company (hereinafter referred to as "Target Directors") with monetary claims amounting to 8,880,000 yen through the resolution at the meeting of the board of directors held today, while considering the purpose of the System, the performance of our company, the range of duties of target allottees, and other circumstances. Then, we have resolved to offer a total of 1,000 common shares of our company (hereinafter referred to as "Allocated Shares") for the purpose of contributing these monetary claims in kind (the amount of monetary claims contributed per share is 8,880 yen).

<Outline of the contract for allocation of shares with restriction on transfer>

Our company and Target Directors will individually conclude a contract for allocation of shares with restriction on transfer (hereinafter referred to as "the Allocation Contract"), and the outline is as

follows:

(1) Period of restriction on transfer

Target Directors shall not conduct transfer, security right setting, or any other disposal for the Allocated Shares during a period from January 22, 2021 (payment date) to the conclusion of the annual meeting of shareholders for the term ending September 2023.

(2) Conditions for lifting the restriction on transfer

Under the condition that Target Directors will remain directors of our company during the period of restriction on transfer, the restriction on transfer will be lifted for all of the Allocated Shares at the time of expiration of the period of restriction on transfer.

(3) Charge-free acquisition by our company

At the time of expiration of the period of restriction on transfer or the time otherwise specified by a contract, our company will acquire the Allocated Shares for which restriction on transfer has not been lifted free of charge.

(4) Management of shares

The Allocated Shares will be managed in accounts exclusively for shares with restriction on transfer created by Target Directors in Daiwa Securities Co., Ltd. during the period of restriction on transfer, so that the transfer, security right setting, or any other disposal of said shares will not be conducted during the period of restriction on transfer.

(5) Handling in the case of organizational restructuring, etc.

If a contract for merger with our company being absorbed, a contract for exchange of shares with our company becoming a wholly owned subsidiary, a plan for share transfer or an item regarding organizational restructuring or the like is approved at a general meeting of shareholders of our company (or a meeting of the board of directors of our company, if said item regarding organizational restructuring or the like does not require an approval at a general meeting of shareholders of our company) during the period of restriction on transfer, the restriction on transfer will be fully lifted just before the business day preceding the effective date of said organizational restructuring or the like in accordance with the resolution by the board of directors.

### 3. Grounds for calculation of the payment amount and details

Issuance of New Shares will be conducted with the monetary claims provided through the System to the holders of new shares being contributed in kind, and the payment amount is the price excluding arbitrariness, being 8,880 yen, which is the closing price of common shares of our company at Tokyo Stock Exchange on December 21, 2020 (the business day preceding the date of resolution of the board of directors). This is the market price just before the date of resolution of the board of directors, and we consider that said price is reasonable, reflecting our corporate value appropriately, and is not beneficial to the holders of new shares, because there are no special reasons in which we

cannot refer to the latest market price.