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To whom it may concern

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### **Notice of Introduction of Restricted Stock Compensation Plan**

DAIBIRU CORPORATION (the “Company”) announces that it has, at its meeting of the Board of Directors held today, resolved to introduce a restricted stock compensation plan (the “Plan”) as a new incentive plan for the Directors, and decided to submit a proposal regarding the Plan at the 148th Annual General Meeting of Shareholders to be held on June 25, 2020 (the “General Meeting of Shareholders”). The details of the Plan are as outlined below.

#### 1. Purpose, etc., of introduction of the Plan

##### (1) Purpose of introduction of the Plan

The introduction of the Plan is intended to provide an incentive for Directors of the Company excluding Outside Directors (the “Eligible Directors”) with the aim of achieving sustainable improvement of the corporate value of the Company, and to further enhance the sharing of values between the Eligible Directors and shareholders. The Plan shall be introduced as a compensation plan under which restricted stock is granted to the Eligible Directors.

In addition, the Company is considering the introduction of a similar restricted stock compensation plan for the Executive Officers of the Company, if the proposal regarding the introduction of the Plan is approved as originally proposed at the General Meeting of Shareholders.

##### (2) Conditions for the introduction of the Plan

The introduction of the Plan is subject to the approval of the shareholders at the General Meeting of Shareholders. The 128th Annual General Meeting of Shareholders held on June 29, 2000 approved of the total monthly compensation for Directors of the Company to be up to ¥23 million (for 11 Directors in office at the conclusion of the said General Meeting of Shareholders). At the General Meeting of Shareholders, the Company plans to seek the shareholders’ approval for the payment of new compensation to grant the restricted stock to the Eligible Directors, separately from the said upper limit of monthly compensation and the total amount of Directors’ bonuses submitted for approval at the Annual General Meeting of Shareholders for each fiscal year.

## 2. Overview of the Plan

Under the Plan, the Company grants to the Eligible Directors monetary compensation claims based on a resolution of the Board of Directors of the Company to allot them restricted stock each fiscal year, in principle. The Eligible Directors will then pay to the Company all of such monetary compensation claims as an in-kind contribution, in order for the Company to issue or dispose of shares of its common stock for the Eligible Directors to hold them.

The total monetary compensation claims to be granted to the Eligible Directors under the Plan shall be up to ¥75 million per year. In addition, the total number of shares of common stock to be issued or disposed of by the Company under the Plan shall be up to 50,000 shares per year (however, in the event of a stock split (including allotment of the Company's common stock without contribution) or a reverse stock split of the Company's common stock effective after the date of resolution at the General Meeting of Shareholders or any other event that requires the adjustment of the upper limit to the total number of the Company's shares of common stock to be allotted, the upper limit to the total number of shares may be reasonably adjusted.) The amount to be paid for each share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on the said business day). The specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors.

In issuing or disposing of the Company's common stock under the Plan, an agreement on the allotment of restricted stock (the "Allotment Agreement") shall be concluded between the Company and the Eligible Directors, which sets forth provisions including the following:

- 1) The Eligible Directors shall not be allowed to transfer, establish a collateral, or otherwise dispose of the Company's common stock that are allotted to them pursuant to the Allotment Agreement, from the date on which they received the allotment pursuant to the Allotment Agreement to the date of their retirement (retirement shall mean that a person is no longer a Director or Executive Officer of the Company);
- 2) The Company shall acquire such common stock without contribution under certain circumstances; and
- 3) The details of the lifting conditions regarding the restriction on transfer established in advance by the Board of Directors of the Company, etc.

The shares that are allotted to the Eligible Directors under the Plan will be managed in dedicated accounts opened by the Eligible Directors with the securities company designated by the Company (Nomura Securities Co., Ltd.) so that such shares will not be transferred, established as a collateral or otherwise disposed of during the period in which the transfer is restricted.

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