



June 25, 2020

To whom it may concern

Company name: DAIBIRU CORPORATION
Representative: Toshiyuki Sonobe
Representative Director
President Chief Executive Officer
(Securities Code: 8806, First Section of Tokyo Stock Exchange)
Inquiries: Eisuke Osawa
General Manager, General Affairs Department
(TEL: +81-6-6441-1932)

Notice of Disposal of Treasury Shares as Restricted Stock Compensation

DAIBIRU CORPORATION (the “Company”) announces that it has, at its meeting of the Board of Directors held today, resolved to dispose of its treasury shares as restricted stock compensation (hereinafter the “Disposal of Treasury Shares”), as follows.

1. Outline of the disposal

(1) Payment date	July 22, 2020
(2) Class and number of shares to be disposed	29,600 shares of the common shares of the Company
(3) Disposal value	994 yen per share
(4) Total disposal value	29,422,400 yen
(5) Method of contribution	In-kind contribution of monetary compensation claims
(6) Allottees and the number thereof; number of shares to be allotted	Directors (excluding Outside Directors), 5 persons, 18,800 shares Executive Officers, 4 persons, 10,800 shares
(7) Others	A Written Notice of Securities has been filed regarding the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and reasons for the Disposal of Treasury Shares

The Company, at its meeting of the Board of Directors held on April 30, 2020, resolved to introduce a restricted stock compensation plan (hereinafter the “Plan”) for the Directors of the Company (excluding Outside Directors; hereinafter the “Eligible Director(s)”) with the aim of providing incentives to achieve the sustained enhancement of the Company’s corporate value, and further promotion of shared value between the Eligible Directors and the shareholders. The 148th Annual General Meeting of Shareholders held today approved of the payment of monetary compensation claims of up to ¥75 million per year to the Eligible Directors for the granting of restricted stock under the Plan, the granting of restricted stock of up to 50,000 shares per year, and other matters.

The Company, in light of the purpose of the Plan, has, at its meeting of the Board of Directors, resolved to pay a total of ¥29,422,400 in monetary compensation claims to the Eligible Directors

and the Executive Officers of the Company (hereinafter, collectively, the “Eligible Director(s), etc.”) on the condition that such monetary compensation claims be paid as an in-kind contribution for the Disposal of Treasury Shares, and to carry out the Disposal of Treasury Shares to the Eligible Directors, etc. In order to achieve the purpose intended by the introduction of the Plan, that is, the granting of incentives to achieve the sustained enhancement of corporate value and the shared value, the duration of the transfer restriction period shall be until the retirement of the Eligible Director, etc., as stated in 3. below.

3. Outline of the restricted stock allotment agreement

The Company and each Eligible Director, etc. shall individually conclude a restricted stock allotment agreement (hereinafter the “Allotment Agreement”) that includes the content summarized below.

(1) Period of the transfer restrictions

The Eligible Director, etc. must not transfer, pledge as collateral or otherwise dispose of the common shares of the Company allotted through the Disposal of Treasury Shares (hereinafter the “Allotted Shares”) for the period from July 22, 2020, the payment date, until the date of retirement, that is, the date on which he or she ceases to be both Director and Executive Officer (hereinafter the “Transfer Restriction Period”).

(2) Release from the transfer restrictions

When the Eligible Director, etc. has served continuously as a Director or an Executive Officer of the Company for the duration of the Transfer Restriction Period, the Company shall remove the transfer restrictions pertaining to all Allotted Shares held by the Eligible Director, etc. at the conclusion of the Transfer Restriction Period.

(3) Gratis acquisition by the Company

The Company shall rightfully acquire without contribution all Allotted Shares whose transfer restrictions have not been removed at the time the Transfer Restriction Period has expired, immediately subsequent to such point in time.

Additionally, in certain cases stipulated under the Allotment Agreement, such as the retirement of the Eligible Director, etc. except for a reason deemed proper by the Company’s Board of Directors, the Company shall acquire the Allotted Shares without contribution.

(4) Management of shares

To prevent the Allotted Shares from being transferred, pledged as collateral, or otherwise being disposed of, the shares shall be managed through a dedicated account opened by the Eligible Director, etc. at a securities company designated by the Company. Nomura Securities Co., Ltd. is expected to be the designated securities company.

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

In the case where a merger agreement with the Company as the non-surviving company, a share exchange agreement where the Company becomes a wholly-owned subsidiary, a share transfer plan or another matter concerning an organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors, for organizational restructuring, etc. that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the transfer restrictions shall be removed before the effective date of the organizational restructuring, etc., for a number of the Allotted Shares to be determined reasonably based upon the length of the period from the day when the Transfer Restriction Period commenced to the effective date of the organizational restructuring, etc. In this case, the Company shall rightfully acquire, without contribution, the remaining Allotted Shares for which the transfer restrictions have not been removed, immediately subsequent to the removal of the transfer restrictions in accordance with the provisions above.

4. Grounds for the calculation of the paid-in amounts and details thereof

To eliminate any arbitrariness from the disposal price in the Disposal of Treasury Shares to the scheduled allottees, the price shall be the closing price of the Company's shares on the business day immediately prior to the date of resolution of the Board of Directors.

As the disposal price in the Disposal of Treasury Shares is the market price on the business day immediately prior to the date of resolution of the Board of Directors, the Company believes it to be reasonable and to not constitute a price particularly favorable to the allottees of the shares.

End