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For Immediate Release

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

Okabe Co., Ltd. (the “Company”) hereby announces that a meeting of its Board of Directors held on February 12, 2021 reviewed the executive compensation plan and resolved to introduce a restricted stock compensation plan (the “Plan”) and to submit a proposal regarding the Plan to the 77th Annual General Meeting of Shareholders to be convened on March 26, 2021 (the “General Meeting of Shareholders”). Details are as follows.

#### 1. Purpose and conditions of introducing the Plan

##### (1) Purpose of Introduction:

The Plan will be introduced for the purpose of providing Directors who are not Audit & Supervisory Committee members (excluding Outside Directors; hereinafter, “Eligible Director”) an incentive to promote sustained improvement of the Company’s corporate value and to facilitate their sense of sharing value with shareholders.

##### (2) Conditions of introduction

As monetary compensation receivables will be granted to Eligible Directors for the allotment of restricted stock under the Plan, the introduction of the Plan will be subject to shareholders’ approval at the General Meeting of Shareholders for the granting of said compensation.

While the compensation for Directors of the Company who are not Audit and Supervisory Committee members was approved at an amount no more than 450 million yen per year at the 73rd Annual General Meeting of Shareholders held on March 30, 2017 (of which the portion for Outside Directors was set at no more than 30 million yen per year); (this does not, however, include the portion of employee’s salary for Directors who concurrently serve as employees), the Company plans to request shareholders’ approval at the General Meeting of Shareholders for the introduction of the Plan and the allocation of compensation under the Plan, separately from the aforementioned amount of the compensation.

#### 2. Overview of the Plan

Under the Plan, Eligible Directors shall make in-kind contributions of all the monetary compensation

receivables to be granted from the Company and in return receive the Company's common stock that will be issued or disposed of by the Company.

The total amount of compensation to be granted to Eligible Directors shall be no more than 80 million yen per year, which shall be paid separately from the existing monetary compensation. The total number of the Company's common stock that will be issued or disposed of by the Company under the Plan shall be no more than 140,000 shares per year (if unavoidable circumstances necessitate an adjustment to the number of shares to be issued or disposed of, however, such as a share split and consolidation of shares of the Company's common stock, the number of shares to be issued or disposed of shall be adjusted to a reasonable extent).

To achieve shareholder value sharing over medium- to long-term, which is one of the purposes of introducing the Plan, the transfer restriction period shall be from the day of allotment of restricted stock until the day on which a relevant Eligible Director resigns from the position of the Company's Director or other positions determined by the Board of Directors or retires from the Company. The specific timing of payment and allotment to each Eligible Director shall be determined at the Board of Directors meetings.

Moreover, the amount to be paid in per share of the Company's common stock to be issued or disposed of under the Plan shall be determined by the Board of Directors within a range that is not especially advantageous to Eligible Directors, based on the closing price of the Company's common stock on Tokyo Stock Exchange on the business day immediately preceding the day of resolution of the Board of Directors regarding the issuance or disposal of said shares (if no trading is reported on the preceding day, the closing price on the day before such day).

Regarding the issuance or disposal of its common stock under the Plan, the Company shall enter into a restricted stock allotment agreement (the "Allotment Agreement") with Eligible Directors, the provisions of which shall contain the following items.

- ① An Eligible Director may not, during a predefined period, transfer, attach a security interest on or otherwise dispose of the Company's common stock allotted pursuant to the Allotment Agreement;  
and
- ② The Company may acquire said common stock without consideration if certain events occur.

(Supplementary information)

Subject to shareholders' approval for the introduction of the Plan at the General Meeting of Shareholders, the Company also plans to grant similar restricted stock as that above to Officers who are not concurrently serving as Directors of the Company.