

**Translation**

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July, 13, 2020

To whom it may concern,

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### Notice of Disposal of Treasury Stock as Reward for Shares with Restriction on Transfer

Our Company is pleased to announce that, at the Board of Directors' meeting held on July 13, 2020, the Company resolved to dispose of its treasury stock as restricted stock (Hereinafter referred to as "Disposal of treasury stock").

#### 1. Overview of Disposition

(1)	Date of disposition	August 12, 2020									
(2)	Class and number of shares to be disposed	155,100 shares of Our Company common stock									
(3)	Disposal value	2,110 JPY per share									
(4)	Total amount of disposal	327,261,000 JPY									
(5)	The persons to whom the shares shall be allotted, the number of such persons, and the number of shares to be allotted	<table> <tr> <td>Directors</td><td>6</td><td>Total of 59,600 shares</td></tr> <tr> <td>Executive officers</td><td>20</td><td>Total of 50,900 shares</td></tr> <tr> <td>Board members of certain subsidiaries</td><td>6</td><td>Total of 44,600 shares</td></tr> </table>	Directors	6	Total of 59,600 shares	Executive officers	20	Total of 50,900 shares	Board members of certain subsidiaries	6	Total of 44,600 shares
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(6)	Other	With respect to the disposal of treasury stock, a securities registration statement has been submitted pursuant to the Financial Instruments and Exchange Act.									

#### 2. The purpose and reasons for the disposition

At a meeting of the Board of Directors held on May 9, 2017, our company reviewed its executive compensation system and adopted a stock-based compensation system with transfer restrictions (Hereinafter referred to as "this system"). At the 74 Ordinary General Meeting of Shareholders held on June 18, 2019, the shareholders approved the monetary compensation in an amount not to exceed 200 million JPY per year to the directors of our company (excluding outside directors hereinafter referred to as "Applicable Directors") under this system, in the form of monetary compensation for acquisition of shares with restriction on transfer (hereinafter referred to as "Shares with Restriction on Transfer"). At the same time, this system also applies to executive officers who are not also directors of our company and directors of certain subsidiaries of our company.

This scheme is intended to provide incentives to the targeted directors, executive officers of our company, and

directors of selected subsidiaries of our company (hereinafter referred to collectively as "Subject Directors, etc.") to achieve sustainable growth in our corporate value over the medium to long term, and to encourage early sharing of value with shareholders by holding shares from the beginning of the grant compared to stock options based on stock-based compensation. The outline of this system is as follows.

#### 【Outline of this system】

Subject Directors, etc. shall receive payment of all monetary compensation claims or monetary claims paid by our company pursuant to this system as properties contributed in kind and issue or dispose of our company common stock. (The shares of our company common stock to be issued or disposed of under this system are hereinafter referred to as "shares to be allotted")

Under this system, the total number of shares of common stock to be newly issued or disposed of by our company to the Applicable Directors shall not exceed 200,000 shares per year. However, in the event of a stock split (includes gratuitous allotment of shares of common stock of our company.) or reverse stock split of our company common shares the effective date of which is on or after the date of the resolution of the General Meeting of Shareholders or in other cases where there arises any ground requiring adjustment of the total number of shares of our company common shares to be issued or disposed of as shares with restriction on transfer, such total number shall be adjusted to a reasonable extent.

The paid-in amount per 1 share of the common stock newly issued or disposed of by our company under this system shall not be particularly favorable to the Applicable Directors, such as the closing price of our company common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors (In the case where the transaction is not completed on the same day, the closing price of the previous latest transaction date). Also, the issuance or disposition of common stock of our company under this plan is subject to the following conditions: The conditions for allotment of shares between our company and Subject Directors, etc. shall be as follows: ①a contract for allotment of shares with restriction on transfer, which includes the prohibition of transfer of the Shares to third parties, establishment of security interests and any other disposition thereof for 3 years, and ②a contract for allotment of shares with restriction on transfer, which includes the acquisition by our company of the Shares with Restriction on Transfer without charge in case certain circumstances arise, or, for the purpose of obtaining the same effect as the conclusion of the contract, leaving a trail that the Subject Directors, etc. "understood and agreed" the Plan Rules.

In consideration of the purpose of this system, the results of our company, the scope of the duties of each director, etc. and various factors, we have decided to grant a total of 327,261,000 JPY (hereinafter referred to as "this monetary compensation claim or monetary claim". 125,756,000 JPY for the Applicable Directors) in monetary claims and monetary claims, and 155,100 shares of common stock (59,600 shares for the Applicable Directors). Under this system, 32 Subject Directors, etc. to be allotted will receive payment of the entire this monetary compensation claim or monetary claim owed to our company as properties contributed in kind and receive the disposition of our company common stock.

### 3. Overview of this Allocation Agreement

(1) transfer limitation period      From August 12, 2020 to August 11, 2023

(2) Cancellation of transfer restriction due to expiration of transfer restriction period

Our company shall cancel the transfer restriction with respect to all of the shares subject to the quota on the condition that the Subject Directors, etc. continue to hold positions such as director, executive officer, auditor, employee or other equivalent positions of the subsidiary of our company or our company (hereinafter referred to as "position") during the period for restriction on transfer. At the expiration of the transfer restriction period, our company shall, in principle, acquire the shares subject to the quota free of charge for which the transfer restriction has not been lifted.

(3) Treatment of resignation, etc.

In cases where a Subject Director, etc. resigns from any position before the transfer restriction period expires, our company shall of course acquire the shares subject to the quota free of charge, except in cases where there are justifiable grounds for the board of directors of our company such as expiration of the term of office or death. In cases where there are justifiable grounds such as expiration of the term of office or death of the board of directors of our company, the number of the shares subject to the quota for which the restriction on transfer is to be cancelled and the time of cancellation of the restriction on transfer shall be reasonably adjusted as necessary.

(4) Handling of Corporate Restructuring, etc.

In cases where a merger agreement under which our company will become a disappearing company, a share exchange agreement or share transfer plan under which our company will become a wholly-owned subsidiary, or any other matters concerning organizational restructuring, etc. are decided during the period for the restriction on transfer, the number of shares subject to the restriction on transfer cancelled and the timing of cancellation of the restriction on transfer shall be adjusted rationally, as necessary.

4. Basis for calculation of the amount to be paid in and its specific details

The disposal of treasury stock to the Subject Directors, etc. will be made based on monetary compensation claims or monetary claims paid as share compensation with restriction on transfer for the fiscal year 75 of our company under this system. As for the disposal price, in order to exclude arbitrariness, the closing price of our company common stock in the 1st Section of the Tokyo Stock Exchange on July 10, 2020 (business day prior to the date of resolution of the board of directors) is 2,110 JPY. This is the market price just before the resolution date of the board of directors and is considered reasonable.

References 【Management Flow of Shares with Restriction on Transfer (RS)】

The shares subject to this allotment shall be managed in a dedicated account opened by the Subject Directors, etc. at the securities company during the period for which the transfer is restricted so as not to be transferred, to be secured or otherwise disposed of during the period for which the transfer is restricted.

