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**Discontinuation of officers' retirement benefit plan and
introduction of restricted stock compensation plan**

The Company hereby announces that at a Board of Directors meeting on April 27, 2021, it reviewed its directors' compensation arrangements and resolved to abolish the officers' retirement benefit plan and grant final retirement benefits, and to introduce a restricted stock compensation plan (the "plan"). It will submit a proposal regarding the plan to the 43rd General Meeting of Shareholders (the "shareholders' meeting") to be held on June 25, 2021, as discussed below.

The above board resolution was decided after deliberation and reporting by the Nomination and Remuneration Advisory Committee, a voluntary advisory body of the Board of Directors.

1. Discontinuation of retirement benefit plan for directors and Audit and Supervisory Board members

As part of its review of directors' compensation arrangements, the Company will submit a proposal to the shareholders' meeting to discontinue the retirement benefit plan for directors and Audit and Supervisory Board members as of the end of the shareholders' meeting and pay retirement benefits to directors proportionate to their terms of office until the end of the shareholders' meeting, provided that the proposal concerning the introduction of the plan (as stipulated in item 2 below) is approved at the shareholders' meeting. Payments to eligible directors and Audit and Supervisory Board members shall be made upon their retirement.

2. Purpose and conditions of the plan

(1) Purpose

The purpose of the plan is to provide incentives to the Company's directors (excluding outside directors; "eligible directors") to work for the sustainable enhancement of corporate value and further promote shared values with its shareholders.

(2) Conditions

Under the plan, the Company shall pay monetary compensation claims to eligible directors as compensation for granting restricted stock, so the introduction of the plan is conditional upon obtaining shareholder approval to pay the said compensation at the shareholders' meeting.

The maximum amount of remuneration for directors based on (1) the resolution at the extraordinary general meeting of shareholders held on January 15, 2002 is ¥300 million per year (however, it does not apply to the employee salary portion of directors who serve concurrently as employees). In addition, the remuneration limit for directors has been separately resolved as follows. (2) At the extraordinary general meeting of shareholders held on July 26, 2013, it was resolved that the annual stock option compensation for the first series of stock options is a maximum of ¥300 million. (3) At the extraordinary general meeting of shareholders held on March 30, 2017, it was resolved that the annual stock option compensation for the fourth and fifth series of stock options is a maximum of ¥300 million. (4) At the extraordinary general meeting of shareholders held on September 22, 2017, it was resolved that the annual stock option compensation for the sixth series of stock options is a maximum of ¥300 million. At the upcoming shareholders' meeting, the Company plans to ask shareholders to approve the introduction of the plan within the maximum amount of remuneration in (1) above, and to establish a maximum

amount of remuneration for eligible directors of the Company in relation to the plan.

3. Overview of the plan

Eligible directors shall make in-kind contributions of all of the monetary compensation claims provided to them under the plan and shall be granted the Company's common stock through issuance or disposal.

The total amount of remuneration paid to eligible directors shall be within the current monetary compensation limits and shall not exceed ¥40 million per year, and the total number of shares of the Company's common stock to be issued or disposed of under the plan shall not exceed 20 thousand shares per year. (In the event of a split of the Company's common stock [including gratis allotment of the Company's common stock] or reverse stock split, the total number of shares to be issued or disposed of will be adjusted proportionately.)

Because promoting shared values with shareholders over the medium to long term is one of the purposes of the plan, a transfer restriction period shall apply until the date of resignation or retirement as director or from other positions determined by the Board of Directors. The Board of Directors shall determine the specific timing and allocation of payments to each eligible director.

The amount per share to be paid for the Company's common stock to be issued or disposed of under the plan shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day of the Board of Directors resolution pertaining to the issuance or disposal (if no transaction has been made on that day, the closing price on the most recent previous trading day) to the extent that it is not particularly advantageous for eligible directors.

When the Company's common stock is issued or disposed of under the plan, the Company and eligible directors shall enter into a restricted stock allotment agreement (the "allotment agreement"), including the following matters:

- 1) Eligible directors agree not to transfer, establish a security interest on, or otherwise dispose of the common stock allotted under the allotment agreement until the date of their resignation or retirement as director or from other positions determined by the Board of Directors.
- 2) The Company shall acquire the stock gratis as a matter of course in the case of a breach of laws, internal rules, the allotment agreement, or any other reason deemed sufficient cause by the Company's Board of Directors.