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For Immediate Release

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Notice of Introduction of Incentive Program Utilizing Restricted Stock (with performance conditions) and Disposition of Treasury Stock as Restricted Stock

DIP Corporation (“DIP”) announces that at the meeting of its Board of Directors held on May 27, 2020 (the “Date of Resolution of Allotment”), it was resolved to introduce an employee (the “Participant”) incentive program (the “Program”), utilizing restricted stock (with performance conditions, etc.), and to dispose of some of its treasury stock (the “Disposition of Treasury Stock,” or the “Disposition”), as described below.

1. Purpose of the Program

DIP has decided to introduce the Program in order to motivate staff members who are expected to make an important contribution toward the realization of our corporate vision of becoming a ‘Labor force solution company’. Further, it is expected that the Program will encourage each Participant to maximize the social and economic value of DIP and strengthen the alignment of the Participants with our shareholders.

The Program stipulates, as a condition to release the restriction on transfer of the restricted stock, the achievement of a five-year performance target. This performance target has been set as a goal toward which DIP employees will aspire together.

DIP will continue to further evolve its businesses by positioning the Program as an important measure towards future growth.

2. Outline of the Program

The Participants will pay all of the monetary claims granted by DIP under the Program as payment in kind, and be subject to issuance or disposition of DIP’s common stock. Furthermore, the per share amount to be paid for the DIP common stock that will be issued or disposed of to the Participants by DIP under the Program will be determined by the Board of Directors. To the extent that such amount will not be an amount particularly favorable to the Participants who subscribe for DIP’s common stock, it will be based on the closing price of such common stock on the Tokyo Stock Exchange on the business day preceding the date of resolution by the Board of Directors (if no transaction occurs on such date, the closing price shall be based on the date of the most recent transaction prior to such date). In addition,

when DIP common stock is issued or disposed of under the Program, an agreement regarding the allotment of restricted stock will be executed between DIP and the Participants. The contents of such agreement will include, among other matters, (i) a provision preventing the Participants from transferring, creating security rights, or otherwise disposing of DIP's common stock that has been allocated to the Participants under the agreement regarding allotment of restricted stock for a certain period, and (ii) a provision that if certain events should arise, DIP will acquire such common stock for no consideration.

3. Outline of Disposition of Treasury Stock

(1)	Date of Disposition	August 27, 2020
(2)	Type and Number of Shares to Be Disposed of	1,025,799 shares of DIP common stock
(3)	Disposition Price	2,829 yen per share
(4)	Total Value of Disposition	2,901,985,371 yen
(5)	Allottees, Numbers Thereof, and Shares to Be Disposed of	Employees of DIP: 1,025,799 shares to 2,191 persons

Based on the outline of the Program described in 2. above, it was resolved that a total of 2,901,985,371 yen in monetary claims (the "Monetary Claims") and 1,025,799 shares of common stock (the "Allotted Shares") would be granted to Participants, on the condition that the Participants belong to the Company from the Date of Disposition through the end of the Period of Restriction on Transfer (the "Enrollment Conditions"), and depending on the conditions concerning Participants' positions (the "Position Conditions") and level of achievement of the performance targets set out by DIP (the "Performance Conditions").

In the Program, because DIP grants each Participant monetary claims for contribution in kind, DIP employees' salaries will not be reduced as a result of the Disposition of Treasury Stock. In addition, the Allotted Shares will be allotted only to Participants who choose to subscribe. Accordingly, if there are no applications for subscription, the Monetary Claims will be extinguished.

With respect to the Disposition of Treasury Stock, 2,191 Participants, who are the prospective recipients, will pay all of the Monetary Claims to DIP as payment in kind in accordance with the Program, and receive disposition of the Allotted Shares. Further, regarding the Disposition of Treasury Stock, the outline of the agreement for allotment of restricted stock that will be executed between DIP and the Participants (the "Allotment Agreement") is as described in 4. below.

4. Outline of the Allotment Agreement

(1) Period of Restriction on Transfer

Period of Restriction on Transfer: From August 27, 2020 to April 15, 2025

(2) Conditions to Release Restriction on Transfer Based on Performance Conditions and Other Conditions

The restriction on transfer will be released at the expiry of the period of restriction on transfer (or on the date the summary report on financial results for the year ending February 2025 is released, if such report is released prior to the expiry of the period of restriction on transfer) for all or part of the Allotted Shares, subject to: i) the Enrollment Conditions, which require Participants to remain in a position of director, executive officer (who does not hold a position as director), employee or equivalent throughout the period of restriction on transfer; ii) the Position Conditions, under which the restriction on transfer is released for the number of Allotted Shares that is determined by the position of the Participant immediately prior to the release of the restriction on transfer; and iii) the Performance Conditions, which are set forth below. DIP will automatically acquire the Allotted Shares for which the restriction on transfer is unreleased, for no consideration.

The details of the Performance Conditions are as follows:

a. Participants belonging to the AI/RPA Headquarters

The restriction on transfer will be released depending on the level to which the AI/RPA businesses achieve the sales and operating income targets disclosed in the summary report on financial results for the year ending February 2025. The targets will be 45 billion yen for sales and 10.8 billion yen for operating income.

b. Participants belonging to any department other than the AI/RPA Headquarters

The restriction on transfer will be released depending on the level to which DIP achieves consolidated sales and consolidated operating income (or non-consolidated sales and non-consolidated operating income if non-consolidated) targets disclosed in the summary report on financial results for the year ending February 2025. The targets will be 100 billion yen for sales and 30 billion yen for operating income.

(3) Treatment upon Reorganization

If a merger agreement under which DIP becomes the acquired company, or a share exchange agreement or a share transfer plan under which DIP becomes a wholly-owned subsidiary, or if any other matter regarding reorganization, etc. is approved at DIP's general meeting of shareholders (or at a Board of Directors meeting if such reorganization etc. does not require the approval of DIP's general shareholders) during the period of restriction on transfer, DIP will automatically acquire all of the Allotted Shares by resolution of the Board of Directors, for no consideration, one

business day prior to the effective date of reorganization.

(4) Management of Shares

During the period of restriction on transfer, the Allotted Shares will be managed by a dedicated account opened by the Participants with a securities company so as not to result in the transfer, creation of security rights, or disposal by other means of the restricted stock during the period of restriction on transfer. DIP has executed an agreement with a securities company for the management of the account for the Allotted Shares held by the Participants in order to ensure the effectiveness of the restriction on transfer, etc., of the Allotted Shares. The Participants shall agree to details regarding the management of the account.

5. Grounds for Calculation of the Amount to be Paid and the Specific Details Thereof

The Disposition of Treasury Stock to the Participants will be made with monetary claims, provided as restricted stock in accordance with the Program for the period stretching from the fiscal year ending February 2021 to the fiscal year ending February 2025, as payment in kind. The disposition price is set at 2,829 yen, which was the closing price of DIP common stock on the First Section of the Tokyo Stock Exchange on May 26, 2020. We believe this to be a reasonable and not particularly advantageous price since it represents the market stock price for DIP common stock at the close of business on the day prior to the date of resolution by the Board of Directors.

6. Future Outlook

Although there is no effect on cash flows, the impact of the Disposition of Treasury Stock on DIP's business performance and financial situation will likely lead to the additional recording of approximately 350 million yen of selling, general and administrative expenses for the fiscal year ending February 2021. There will be no impact on selling, general and administrative expenses for the first quarter of the fiscal year ending February 2021.

(Note) English documents are prepared as a courtesy to our shareholders. In the event of any inconsistency between English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.