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December 17, 2021

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(Securities Code: 3668
Tokyo Stock Exchange First Section)
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Notice of the Issuance of New Shares as Restricted Stock Compensation

COLOPL, Inc. (the "Company") hereby announces that the meeting of the Board of Directors held today, the Company decided to issue new shares as restricted stock compensation ("new share issuance") as follows.

Notes

1. Overview of Publication

(1) Payment date	January 14, 2022
(2) Type and number of shares to be issued	72,489 shares of our common stock
(3) Issue price	676 yen per share
(4) Total issue price	49,002,564 yen
(5) Eligible for Allotment of Shares as well as the number of people number of shares to apportion	6 executive directors: 72,489 shares
(6) Others	With respect to the issuance of new shares, the Company has submitted a notice of securities in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reasons for the New Share Issuance

As stated in the "Notice of Introduction of Restricted Stock Compensation Plan" dated November 20, 2019, the Company introduce a stock compensation system with restriction on transfer ("this system") with the aim of providing incentives to our board members (excluding those who are outside board members and members of the audit and maintenance committee; "target board members") to continuously improve our company's corporate value as well as promoting further value sharing between target board members and shareholders. At the 11th Ordinary General Meeting of Shareholders held on December 20, 2019, the payment of monetary remuneration receivable not exceeding 300 million yen per year to the target board members as the property contributed in kind in order to issue restricted shares, and the distribution of restricted shares not exceeding 500,000 shares per year were approved.

Taking into account the purpose of this system, our business performance, the scope of duties of each target board member, and various circumstances, the Company has resolved to pay to the target board members a total of 49,002,564 yen in monetary remuneration on condition that the target board members acquire the new share issuance as the property contributed in kind, and the Company has resolved to issue new share issuance to the target board members. In order to provide incentives

and share shareholder value for the purpose of realizing sustainable improvement of corporate value, which is the purpose of the introduction of this system, the Company has decided that the transfer restriction period is until the retirement of our Director as described in 3 below.

3. Overview of restricted share allocation agreement

As a result of the new share issuance, the Company and each of the target board members will enter into an Allocation Agreement with Restriction on Transfer ("Allocation Agreement"), the outline of which is as follows.

(1) Restriction period of transfer

The target board members may not transfer, pledge or otherwise dispose of the Shares of Common Stock (the "Allotted Shares") that have been allotted during the period from January 14, 2022 (Payment Date) to the date of retirement of our Directors.

(2) Cancellation of restrictions on transfer

Notwithstanding the provisions of (1) above, the Company cancels restrictions on the transfer of all of the Allotted Shares held by the target board members at the time of the expiration of the restriction on the transfer of all of the Allotted Shares provided that the target board members were in the position of our Directors on an ongoing basis during the period stipulated by our Board of Directors (the "Service Period"). However, in the event that the target board members retire from the Board of Directors prior to the expiration of the Service period for reasons the Company deems appropriate, the Company will reasonably adjust, as necessary, the number of Allotted Shares that will cancel the restriction on transfer and cancel the restriction on transfer upon such retirement.

(3) Free acquisition by the Company

The Company will naturally acquire the Allotted Shares free of charge in the event of certain events as provided in this Allocation Agreement, such as the case where the target board members retired for reasons other than those which our Board of Directors deems to be valid prior to the expiration of the Term of Provision of Services.

In addition, the Company will, of course, acquire at no charge the Allotted Shares for which the restrictions have not been lifted at the time the restrictions expire.

(4) Management of shares

The target board members will set up and manage a dedicated account in the Securities Companies as defined by us so that they will not be able to transfer, pledge or otherwise dispose of the Allotted Shares during the Transfer Restriction Period. The securities company is scheduled to be Daiwa Securities Co. Ltd.

(5) Treatment of Organizational Restructuring

The Company will cancel the restriction on the transfer of reasonably determined number of Allotted Shares at the time immediately before the business day before the effective day of the said organizational restructuring, etc. in the event that, during the period of the restriction on transfer, the merger agreement in which the Company is the dissolving company, the share exchange agreement in which the Company is a wholly-owned subsidiary, the share transfer plan and other matters relating to organizational restructuring, etc. are approved at our general meeting of shareholders (however, if such organizational restructuring, etc. is not necessary to be approved by our general meeting of shareholders, our board of directors, etc.), based on the resolution of our board of directors, based on the period from the beginning of the restriction period to the effective date of the said organizational restructuring, etc. In addition, the Allotted Shares for which the transfer restriction has not been removed, as of the time immediately after the removal of the transfer restriction will automatically be acquired by the Company without consideration.

4. Basis for calculating the amount to be paid and the specific contents thereof

The issue price for the new share issuance to be allotted will be 676 yen per share, the closing price of our common shares

on the Tokyo Stock Exchange on December 16, 2021 (the business day immediately before the resolution date of the Board of Directors), in order to eliminate arbitrariness. This is the market price immediately prior to the resolution date of the Board of Directors and in circumstances where there is no particular circumstance indicating that the Company cannot rely on the most recent stock price, the Company believes that it is reasonable, appropriately reflecting the Company's corporate value, and that is not particularly favorable value for the target board members.

End.