

March 24, 2022

To All

Company Name	Frontier Management Inc.
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Notice of Disposal of Treasury Stock as Restricted Stock Award

At a meeting of the Board of Directors held today, Frontier Management Inc. (hereafter the "FMI") announced the following resolution to dispose of treasury stock as restricted stock awards (hereinafter referred to as "disposal of treasury stock" or "disposal").

1. Outline of the disposition

(1)	Date of disposition	April 15, 2022
(2)	Type and number of shares to be disposed of	19,998 shares of FMI common stock
(3)	Disposal value and total disposal value	The disposal of treasury stock involves the disposition of FMI common stock as compensation for FMI directors and does not require payment of money or benefit of contributed property in kind in exchange for such common stock (*). ※The fair value of the common stock in this treasury stock disposal is JPY 1,050, the closing price of FMI common stock on the Tokyo Stock Exchange on the business day immediately before the meeting of the Board of Directors held today (March 23, 2022), and the total amount is the amount obtained by multiplying such amount by the number of shares to be disposed of above (JPY 20,997,900).
(4)	Borrowers to be disposed of	3 directors (excluding outside directors) of the Company 19,998 shares
(5)	Other	The Company has submitted a notice of securities in accordance with the Financial Instruments and Exchange Act with respect to this disposal of treasury stock.

2. Purpose and grounds for the disposition

At a meeting of the Board of Directors held on February 9, 2021, the Board of Directors, excluding Outside Directors (the "Target Directors"). In order to increase the linkage between remuneration and performance, and to make it a remuneration system that further contributes to the achievement of medium-to long-term performance targets and the achievement of sustainable corporate value, a single-year performance-linked remuneration (cash bonus and stock remuneration A), and a medium-to long-term performance-linked remuneration (stock remuneration B), which are linked to the degree of achievement of management targets and the degree of improvement of corporate value in the medium-term management

plan, were decided to be paid in restricted stock (hereinafter referred to as the "Plan"), with the aim of further promoting the sharing of value with shareholders and strengthening incentives for the achievement of management targets in the medium-term management plan and the enhancement of corporate value.

In addition, at the 14th Ordinary General Meeting of Shareholders held on March 25, 2021, FMI have approved that the total amount of FMI common shares issued or disposed of as Share Compensation A to the Directors under this Plan shall be not more than 100,000,000 yen per year, the total number shall be not more than 40,000 shares per year, and the total amount of FMI common shares issued or disposed of as Share Compensation B shall be not more than 50,000,000 yen per year, the total number shall be not more than 20,000 shares per year, and that FMI common shares shall be issued or disposed of and held without payment of money or delivery of Property Contributed in Kind.

This time, based on the deliberations and reports of the voluntary Nomination and Compensation Advisory Committee, at the Board of Directors meeting held today, a resolution was passed to grant 19,998 shares of common stock, totaling JPY 20,997,900, to the three target directors based on their remuneration standards in accordance with their positions as stock remuneration B (linked to the performance of the medium-term management plan) under this plan.

In addition, upon the disposition of FMI common stock under the Plan, FMI will enter into a restricted stock allocation agreement between us and the applicable directors. The main points of the policy are as follows.

<Summary of restricted stock allocation agreement>

(1) Period of Restriction on Transfer

From April 15, 2022 (the Payment Date) to April 14, 2025, the Subject Directors shall not transfer, pledge or otherwise dispose of the Allocated Shares during the Restriction Period of Transfer (hereinafter referred to as the "Restriction Period of Transfer") stipulated above.

(2) Terms and Conditions for Termination of Restriction on Transfer

In principle, after the end of the period covered by the Medium-Term Management Plan, the Company determines the number of shares for which transfer restrictions will be lifted based on the degree of achievement of the management targets of the Medium-Term Management Plan and the degree of improvement in corporate value for such shares granted during the applicable period, and lifts the transfer restrictions upon the expiration of the transfer restrictions.

Provided, however, that in the event that the relevant director resigns prior to the expiration of the restriction on transfer due to the expiration of the term of office, death or any other justifiable reason, (i) the number of shares for which the restriction on transfer is cancelled in accordance with the degree of achievement of the management objective of the Mid-term Management Plan and the increase in corporate value at that time, and (ii) if such resignation occurs during the period from the time when the restriction on transfer is cancelled to the time when the restriction on transfer expires, the time when the restriction on transfer is cancelled shall be determined by a resolution of the Board of Directors based on the deliberations and reports of the Nomination and Compensation Advisory Committee, Adjust reasonably as necessary.

(3) Treatment of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if the Organizational Restructuring Agreement, etc. is approved at the general meeting of shareholders of the Company (or at the meeting of the Company's board of directors in the event such reorganization agreement, etc. is not required to be approved by the shareholders of the Company), (i) if such approval is granted during the period from the time of the grant of such shares until the time when the number of shares subject to the cancellation of the restriction on transfer is determined, the number of shares subject to the cancellation of the restriction on transfer, and (ii) if such approval is granted during the period from the time when the restriction on transfer is cancelled to the time when the restriction on transfer expires, Based on the deliberations and reports of the Nomination and Compensation Advisory Committee, the Board of Directors shall make reasonable adjustments as necessary.

(4) Grounds for Purchase without Contribution

FMI will, of course, acquire the Shares for which the restriction on transfer has not been lifted at the time of the determination of the number of Shares for which the restriction on transfer is to be lifted as set forth in (2) above without charge.

(5) Free return of shares

FMI will establish a clawback clause to the effect that, in the event of certain circumstances, such as material accounting fraud or huge losses, all or part of the stock compensation paid in accordance with the responsibilities of each director shall

be reimbursed without compensation.

(6) Management of shares

The target director shall open a dedicated account with Mizuho Securities Co., Ltd. to describe or record the Allotment Shares in a manner specified by us so that the entire Allotment Shares will be kept and maintained in such a dedicated account until the transfer restrictions are lifted, so that no transfer, establishment of security rights or other disposition can be made during the transfer restriction period.

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

The disposal of treasury stock is to dispose of common stock as remuneration, etc. for directors pursuant to the Plan and does not require payment of money or benefit of contributed property in kind in exchange for disposed shares.