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**Notice Regarding Proposal at General Meeting of Shareholders for  
the Introduction of Restricted Stock Compensation Plan**

JAFCO Group Co., Ltd. (the “Company”) announced, in the “Notice Regarding Introduction of Restricted Stock Compensation Plan” as of January 26, 2022, that the Company will introduce a Restricted Stock Compensation Plan (hereinafter the “Plan”). The Company hereby announces that its Board of Directors approved a resolution at the board meeting held today to propose the Plan at the 50<sup>th</sup> Annual General Meeting of Shareholders scheduled for June 21, 2022 (the “Meeting of Shareholders”).

1. The purpose of the introduction

The Plan will be introduced for the Company's directors (excluding directors serving as Board-Audit Committee members and independent directors; hereinafter “Eligible Director(s)”), and the Company’s corporate officers and the officers of the Company’s subsidiaries (collectively with Eligible Director(s), hereinafter “Eligible Director(s), etc.”) in order to provide an incentive to sustainably improve the Company's corporate value and further promote the sharing of values with the shareholders.

Under the Plan, monetary claims will be paid as remuneration for the grant of transfer-restricted stock (hereinafter “Restricted Stock”) to the Eligible Directors. For this reason, the Company is required to obtain shareholders’ approval for the payment of such remuneration at the Meeting of Shareholders. At the 43rd Annual General Meeting of Shareholders held on June 16, 2015, the amount of remuneration, etc. for the directors (excluding directors serving as Board-Audit Committee members) was approved to be no more than ¥600 million per year. The Company will request approval at the Meeting of Shareholders to introduce the Plan and to pay a new remuneration for granting the Restricted Stock separately from the aforementioned remuneration amount. In introducing the Plan, the Company will partially reduce monetary compensation paid prior to the introduction based on a review of its level, and then pay the remuneration for the Plan.

2. Outline of the Plan

Under the Plan, the total amount of monetary claims to be paid to the Eligible Directors shall be no more than ¥300 million per year, and the total number of common shares to be issued or disposed of as a result shall be within 300,000 shares per year. (However, if a stock split (including gratis allotment of the Company’s common shares) or a reverse stock split of the common shares of the Company is carried out after the date of resolution of this proposal, such total number shall be adjusted as needed to a reasonable extent based on the ratio of the stock split/ reverse stock split.)

The Eligible Directors, etc. shall pay all monetary claims delivered by the Company based on the Plan as assets contributed in kind and shall receive the issuance or disposition of the Company's common shares. The amount to be paid per share shall be determined by the Board of Directors within the scope that does not fall under particularly favorable terms for the Eligible Directors, etc. and the basis of such amount shall be the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (if there is no transaction on that day, the closing price on the most recent trading day prior to such date). The detailed schedule for the payment and allocation to the Eligible Directors, etc. shall be determined by

the Board of Directors after the deliberations by the Nomination and Remuneration Committee. For the issuance or disposition of the Company's common shares pursuant to the Plan (herein after "the Shares"), the Company and the Eligible Directors, etc. shall enter into an agreement on allotment of transfer-restricted shares (hereinafter referred to as the "Allotment Agreement") which shall: (1) prohibit the transfer to a third party, the establishment of security interests and all other dispositions of the Shares for a certain period of time; and (2) stipulate that the Company acquires the Shares without consideration in the case of certain events. The Shares shall be managed in an exclusive account to be opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. during the period in 1. above to prohibit the transfer, the establishment of security interests and other dispositions during the said period.

Outline of the Allotment Agreement with the Eligible Directors:

(1) Transfer Restriction Period

The Eligible Directors shall not transfer, create security interests on, or otherwise dispose of (hereinafter referred to as the "Transfer Restriction") the common shares of the Company allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") during the period from the day when they received the allotment under the Allotment Agreement until the time immediately after the retirement or resignation of Eligible Directors from their position as director or other position of the Company or its subsidiaries, as determined in advance by the Company's Board of Directors (hereinafter the "Transfer Restriction Period"). Provided, however, if the time immediately after such retirement or resignation is prior to the date after a lapse of three (3) months since the end of the fiscal year within which the date of the allotment of the Allotted Shares falls, the end of the Transfer Restriction Period may be adjusted to a reasonable extent.

(2) Removal of Transfer Restriction

On the condition that the Eligible Directors continue to hold their position as director or other position of the Company or its subsidiary, as determined in advance by Company's Board of Directors, during a period of time determined in advance by Company's Board of Directors (the "Service Period"), the Company shall remove the Transfer Restriction as of the end of the Transfer Restriction Period. Provided, however, that: (a) if an Eligible Director retires or resigns from his or her position as director or other position of the Company or its subsidiary, as determined in advance by Company's Board of Directors, before the expiration of the Service Period for justifiable reasons; or (b) if an Eligible Director resigns or retires from his or her position as director or other position of the Company or its subsidiary, as determined in advance by Company's Board of Directors for any reason other than justifiable reasons even after the expiration of the Service Period, the number of the Allotted Shares to be removed from Transfer Restriction and the timing of the removal of Transfer Restriction shall be reasonably adjusted as necessary.

(3) Acquisition of the Allotted Shares without Consideration

The Company shall acquire, without consideration, the Allotted Shares for which Transfer Restriction has not been removed at the time immediately after the removal of Transfer Restriction pursuant to the provisions of (2) above as a matter of course. If an Eligible Director resigns or retires from his or her position as director or other position of the Company or its subsidiary, as determined in advance by Company's Board of Directors, before the expiration of the Service Period, the Company shall acquire the Allotted Shares without consideration as a matter of course, unless there are reasonable grounds for the retirement or resignation such as the expiration of the term of office or the death of the Eligible Director. In addition, if the Board of Directors of the Company recognizes that an Eligible Director has violated laws, regulations, internal rules or the Allotment Agreement in any material respect during the Transfer Restriction Period, or in the case of certain grounds set forth in the Allotment Agreement, the Company shall acquire, without consideration, all of the Allotted Shares held by the Eligible Director at the relevant time as a matter of course.

(4) Treatment in Reorganization, Etc.

Notwithstanding the provisions of (1) above, if any matter relating to a merger agreement under

which the Company becomes the disappearing company, contract of share exchange, share transfer plan, or any other reorganization in which the Company becomes a wholly-owned subsidiary is approved at a General Meeting of Shareholders of the Company (provided, however, that if the approval of such reorganization is not required by the General Meeting of Shareholders of the Company, the Board of Directors of the Company) during the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors of the Company, remove the Transfer Restriction with respect to the number of Allotted Shares reasonably determined based on the period from the commencement date of the Transfer Restriction Period until the effective date of such reorganization, etc., prior to the effective date of such reorganization, etc. In this case, moreover, the Company shall acquire, as a matter of course, the Allotted Shares, for which the Transfer Restriction has not been removed immediately after the removal of the Transfer Restriction, without consideration.

(5) Other Matters

Any other matters related to the Allotment Agreement shall be determined by the Company's Board of Directors.