

May 17, 2022

Notice Concerning Introduction of Stock-based Compensation Plan with Restriction on Stock Transfers

Company name: Unipres Corporation
Representative: Nobuya Uranishi, President and Representative Director
Securities code: 5949 (Tokyo Stock Exchange, Prime)
Contact: Shigeto Ito, Senior Vice President
Tel. +81-45-470-8755
Website: <https://www.unipres.co.jp/>

UNIPRES CORPORATION (hereinafter referred to as the “Company”) hereby announces that it resolved at a meeting of Board of Directors held on May 17, 2022 to review the Directors’ compensation plan and introduce a stock-based compensation plan with restrictions on stock transfers (hereinafter referred to as the “Plan”) and decided to submit an agenda item concerning the Plan to the 83rd Ordinary General Meeting of Shareholders to be held on June 23, 2022 (hereinafter referred to as the “Meeting”).

1. Purpose and Conditions of Introducing the Plan

(1) Purpose of the Introducing the Plan

The Company will introduce the Plan as a compensation plan that allots shares with transfer restrictions (hereinafter, the “restricted shares”) to the Directors (excluding Directors who are members of the Audit & Supervisory Committee and External Directors; hereinafter referred to as the “Eligible Directors”) in order to allow Eligible Directors to share the risks and benefits of stock price fluctuations with shareholders to a greater extent and further enhance their motivation to contribute to improving the stock price and the corporate value of the Company.

(2) Conditions for Introducing the Plan

Under the plan, the Company will provide Eligible Directors with monetary compensation receivables for the allotment of restricted shares as compensation, and therefore, the introduction of the Plan is subject to shareholder approval of the payment of such compensation at the Meeting. The annual amount of compensation for directors (excluding Directors who are members of the Audit & Supervisory Committee) was approved at the 77th Ordinary General Meeting of Shareholders held on June 22, 2016 at not more than 550 million yen (of which compensation for external directors is not more than 30 million yen). At the Meeting, however, the Company intends to seek shareholder approval to set the maximum total annual amount of monetary compensation receivables at 200 million yen, separately from the amount of above-mentioned compensation for the Directors, as compensation relating to the restricted shares to be paid to Eligible Directors after comprehensively taking into consideration various factors such as the degree of contribution of Eligible Directors to the Company,

2. Outline of the Plan

(1) Allotment and Payment of Restricted Shares

The Company, based on a resolution of the Board of Directors, will grant monetary compensation receivables to Eligible Directors within the limit of the above-mentioned annual amount as compensation

related to the restricted shares, and each Eligible Director will receive an allotment of the restricted shares of all said monetary compensation receivables by the means of equity contribution in kind .

The amount to be paid for the restricted shares shall be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors on the issue or disposition thereof (or at the closing price on the immediately preceding trading day, if no trading occurred on that day), and shall be determined by the Board of Directors within a range that is not particularly advantageous to Eligible Directors subscribing to the said restricted shares. The above-mentioned monetary compensation receivables will be provided on the condition that Eligible Directors of the Company have agreed to the above-mentioned in-kind contribution and have entered into a restricted share allotment agreement as specified in (3) below.

(2) Total Number of the Restricted Shares

The total number of the restricted shares to be allotted to Eligible Directors of 225,000 shares shall be the maximum number of the restricted shares to be allotted in each fiscal year.

However, if the Company's common stock is subjected to a stock split (including a gratis allotment of the shares) or stock consolidation after the date of the resolution regarding this agenda item, or if any other similar circumstances arise requiring an adjustment in the total number of the restricted shares, the total number of said restricted shares may be adjusted to a reasonable extent.

(3) Details of the Restricted Share Allotment Agreement

The content of the restricted share allotment agreement to be concluded between the Company and Eligible Directors based on a resolution of the Board of Directors upon the allotment of the restricted shares shall be as follows.

(i) Details regarding transfer restrictions

Eligible Directors to whom the restricted shares have been allotted shall not transfer such allotted shares (hereinafter referred to as the "Allotted Shares") to third parties, establish a pledge or a security interest on the shares, use them as an inter vivos gift, bequest them to another party, or otherwise dispose of the Allotted Shares (hereinafter referred to as "Transfer Restrictions") during the period starting on the day when the restricted shares were received and ending on the day when Eligible Director step down as a Director or Executive Officer or leave the Company (hereinafter referred to as the "Transfer Restricted Period").

(ii) Gratis acquisition of Restricted Stock

The Company shall acquire the restricted shares without compensation if an Eligible Director who has been allotted the Allotted Shares steps down from the position of a Director or Executive Officer or leave one's employment of the Company anytime between the initial day of the Transfer Restrictions Period until the day preceding the first subsequent Ordinary General Meeting of Shareholders, except when there are reasons deemed legitimate by the Board of Directors.

In addition, the Company shall rightly acquire any of the Allotted Shares without compensation for which the Transfer Restrictions have not been removed in accordance with the reasons set forth in (iii) below at the expiration of the Transfer Restrictions Period in (i) above.

(iii) Removal of Transfer Restrictions

The Company will remove Transfer Restrictions on all the Allotted Shares upon expiration of the Transfer Restrictions Period if an Eligible Director who has been allotted the restricted shares continues to hold the position of a Director, Executive Officer, or employee of the Company from the initial day of the Transfer Restrictions Period until the day of the first subsequent

Ordinary General Meeting of Shareholders.

However, if said Eligible Director steps down as a Director or Executive or leave one's employment before the expiration of the Transfer Restrictions Period for reasons deemed legitimate by the Board of Directors, the number of the Allotted Shares for which the Transfer Restrictions will be removed and the timing of the removal of Transfer Restrictions shall be reasonably adjusted as needed.

(iv) Treatment upon Organizational Restructuring

During the Transfer Restrictions Period, if an agenda item regarding a merger agreement under which the Company becomes the dissolving company, or a share exchange agreement, or a share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring is approved at a General Meeting of Shareholders of the Company (or, if approval at a General Meeting of Shareholders of the Company is not required regarding the above-mentioned organizational restructuring then approval of the Board of Directors of the Company) (only if the effective date of the said organizational restructuring comes before the expiry of the Transfer Restriction Period; hereinafter referred to as "at the time of approval of organizational restructuring"), and if an Eligible Director who has been allotted the restricted shares steps down from the position of Director or Executive Officer or leaves one's employment due to said organizational restructuring, the Company, by a resolution of the Board of Directors, will remove the Transfer Restrictions on a reasonable number of the Allotted Shares prior to the effective date of said organizational restructuring, taking into consideration the period between the start of the Transfer Restrictions Period and the date of approval of said organizational restructuring.

At the time of approval of organizational restructuring, the Company shall rightly acquire without compensation any of the Allotted Shares for which the Transfer Restrictions have not been removed as of the day immediately preceding the effective date of said organizational restructuring.

(For Reference)

Subject to the approval of the agenda concerning this Plan, at the General Meeting of Shareholders, the Company intends to introduce a restricted stock compensation plan, similar to the Plan to executive officers and senior officers who are not directors.