

March 24, 2023

To All

Company Name	Frontier Management Inc.
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Notice of Issuance of New Shares as Restricted Stock Awards

Frontier Management Inc. (hereafter the "FMI") are pleased to announce that the Board of Directors today has resolved to issue new shares as restricted stock awards (the "New Stock Issuance") as follows:

1. Outline of the issue

(1) Allotment date of shares for subscription	April 14, 2023
(2) Type and number of shares to be issued	19,999 shares of FMI common stock
(3) Issue price	JPY 950 per share
(4) Total issuance	JPY 18,999,050
(5) Persons to whom shares will be allotted and the number of such persons and shares to be allotted	4 of FMI directors (excluding outside directors) 19,999 shares
(6) Other	The Company has submitted a Notice of Securities under the Financial Instruments and Exchange Act for the issuance of new shares.

2. Purpose and reason of issuance

As stated in the February 9, 2021 "Notice Concerning the Amendment to the Directors' Compensation Plan and the Introduction of the Restricted Stock Compensation Plan," FMI have decided to provide a single-year performance-linked remuneration (cash bonus and stock compensation A) linked to the achievement of performance goals for a single fiscal year, and a medium-to long-term performance-linked remuneration (stock compensation B) linked to the achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value, in order to enhance the linkage between the remuneration of directors and the achievement of performance goals for a short-term performance and the achievement of corporate value. With regard to stock-based compensation A and stock-based remuneration B, FMI have decided to share more value with FMI's shareholders. In addition to advancing the plan, the Company decided to pay shares with restricted stock for the purpose of strengthening incentives to achieve the management goals of the medium-term management plan and increase corporate value (hereinafter referred to as the "Plan").

In addition, at the 14th Annual General Meeting held on March 25, 2021, FMI have approved that the total amount of FMI common stock issued or disposed under this system to the target director is within 100 million per year and 40,000 per year,

and that the total amount of FMI common stock issued or disposed of as stock remuneration B is within 50 million per year and 20,000 per year, respectively, and that FMI issue or dispose of FMI common stock without the need for the payment of money or the benefit of the spontaneous property.

This time, based on the deliberations and reports of the Voluntary Nomination and Compensation Advisory Committee, at the Board of Directors meeting held today, the Board of Directors resolved to grant 19,999 shares of common stock, totaling JPY 18,999,050, to four eligible directors as stock-based compensation B (linked to the performance of the Medium-Term Management Plan) based on the compensation base amount according to their position, based on this plan.

In addition, in issuing shares of FMI common stock under the Plan, FMI will enter into a restricted stock allocation agreement between us and the target director. The main points of the policy are as follows.

<Overview of Allocation Contracts>

(1) Restriction Period on Transfer

From April 14, 2023 (payment date) to April 13, 2026, the Directors shall not transfer, mortgage, or otherwise dispose of the Allotted Shares during the transfer restriction period (hereinafter referred to as the "Transfer restriction period") set forth above.

(2) Termination Conditions of Restriction on Transfer

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

Provided, however, that in the event the applicable director resigns prior to the expiration of the transfer restriction period due to expiration of the term of office, death, or any other justifiable reason, (i) in the event such resignation occurs during the period from the time when such shares are granted to the time when the number of shares for which transfer restriction is cancelled is determined, the number of shares for which transfer restriction is cancelled in accordance with the achievement level of the management goals of the medium-term management plan and the degree of improvement in corporate value at that time, and (ii) in the event such resignation occurs during the period from the time when the number of shares for which transfer restriction is cancelled to the time when the transfer restriction expires, the time when the transfer restriction is cancelled shall be reasonably adjusted as required by a resolution of the Board of Directors based on the deliberations and reports of the Voluntary Nomination and Compensation Advisory Committee.

(3) Treatment in organizational restructuring, etc.

Notwithstanding the provisions of (1) above, in the case where the Reorganization Agreement, etc. is approved at FMI General Meeting of Shareholders (or FMI Board of Directors in the case where such Reorganization Agreement, etc. does not require approval by FMI General Meeting of Shareholders) during the period of the Restriction on Transfer, (i) where such approval is made during the period from the time when the shares are granted until the time when the number of shares subject to rescission of the Restriction on Transfer is decided, the degree of achievement of the management goals of the Medium-Term Management Plan at that time and the degree of improvement in corporate value, etc. If the number of shares subject to rescission of the restriction on transfer and the time of rescission of the restriction on transfer are granted (ii) during the period from the time when the number of shares subject to rescission of the restriction on transfer is decided to the time when the restriction on transfer expires, the time of rescission of the restriction on transfer shall be reasonably adjusted by resolution of the Board of Directors based on the deliberations and reports of the voluntary Nomination and Remuneration Advisory Committee.

(4) Gratuitous Acquisition Reason

FMI will naturally acquire, without charge, the shares for which the restriction on transfer has not been terminated at the time when the number of shares for which the restriction on transfer is cancelled as set forth in (2) above is determined.

(5) Free return of shares

In the event of serious fiscal improprieties or large losses, the Company will establish a clarity-back clause to the effect that all or part of the paid share compensation will be reimbursed free of charge according to the responsibilities of each director.

(6) Management of shares

The Subject Directors shall open a dedicated account with Mizuho Securities Co., Ltd. to state or record the Allotment Shares in a manner designated by us, and shall keep and maintain all the Allotment Shares in such a dedicated account until the transfer restrictions are lifted.

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

The Issue of New Shares shall issue shares relating to such offering as remuneration, etc. for Directors pursuant to the Plan, and no payment of money or delivery of the Properties Contributed in Kind shall be required in exchange for the Shares for Subscription. The issue price of the new shares is set at JPY 950, the closing price of FMI common stock on the Tokyo Stock Exchange on the business day immediately prior to the Board of Directors meeting (March 23, 2023), in order to eliminate arbitrary considerations.