



June 20, 2018

To Our Shareholders

Company Name: Ahresty Corporation  
 Representative: Arata Takahashi, President & CEO  
 (Security Code: 5852 First Section of the Tokyo Stock Exchange)  
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### Notice Concerning New Share Issuance in Restricted Stock Compensation Plan

Ahresty Corporation (the “Company”) hereby announces that at a meeting of its Board of Directors held on June 20, 2018, it resolved to issue new shares (the “New Share Issuance”) as described below.

#### 1. Outline of issuance

|     |  |   |
|-----|--|---|
| (1) | Payment date   | July 19, 2018   |
| (2) | Type and number of new shares to be issued   | The Company’s common stock: 48,997 shares<br>Work-continuation-linked shares with transfer restrictions: 29,959 shares<br>Performance-linked shares with transfer restrictions: 19,038 shares   |
| (3) | Issue price  | 1,024 yen/share   |
| (4) | Total amount of issuance   | 50,172,928 yen  |
| (5) | Eligible persons for allotment of new shares and number of persons and number of new shares allotted | Directors (excluding Audit & Supervisory Committee members) 5 persons: 40,808 shares<br>Work-continuation-linked shares with transfer restrictions: 27,626 shares<br>Performance-linked shares with transfer restrictions: 13,182 shares<br>Directors including Audit and Supervisory Committee Members (excluding outside Directors) 1 person: 2,333 shares<br>Work-continuation-linked shares with transfer restrictions: |

|                |  |
|----------------|--|
|                | 2,333 shares   |
|                | Executive Officers                      4 persons: 5,856 shares<br>Performance-linked shares with transfer restrictions:<br>5,856 shares |
| (6)      Other | Regarding the New Share Issuance, a securities notice has been submitted pursuant to the Financial Instruments and Exchange Act.         |

## 2. Purpose of and reason for issuance

At a meeting of its Board of Directors held on May 30, 2018, the Company resolved to introduce the restricted stock compensation plan (the "Compensation Plan"), a new compensation plan for the Company's Directors (excluding outside Directors; the "Eligible Directors") and Executive Officers with the aims of providing officers with an incentive to continuously improve the enterprise value of the Company, facilitating their sense of sharing value with shareholders and establishing a stronger link with the medium- to long-term performance goals. Moreover, the following were approved based on the Compensation Plan at the 97<sup>th</sup> Ordinary General Meeting of Shareholders (the "General Meeting of Shareholders") that was held today: as monetary compensation to make in-kind contributions of monetary compensation receivables to obtain shares with transfer restrictions ("Stock Compensation with Transfer Restrictions") of the Eligible Directors, the compensation amount for Directors (excluding Directors serving as Audit & Supervisory Committee Members) shall be set below 45 million yen annually for work-continuation-linked shares with transfer restrictions and below 67 million yen annually for performance-linked shares with transfer restrictions, the compensation amount for Directors who are Audit & Supervisory Committee Members (excluding outside Directors) shall be set below 8 million yen annually for work-continuation-linked shares with transfer restrictions, the transfer restriction period for work-continuation-linked shares with transfer restrictions shall be set at 30 years, and the transfer restriction period for performance-linked shares with transfer restrictions shall be decided by the Board of Directors of the Company at between 1 year and 5 years.

The outline of the Compensation Plan is as described below.

[Outline of Compensation Plan, etc.]

The Eligible Directors and Executive Officers shall make in-kind contributions of monetary compensation receivables and shall receive shares of the Company's common stock upon issuance or disposition based on the Compensation Plan. The total number of the Company's common stock to be issued or disposed of for the Eligible Directors shall be below 240,000 shares annually, and the paid-in amount per share shall be the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately preceding it if no transactions are undertaken on this business day).

In the issuance or disposal of the common stock of the Company in the Compensation Plan, the Company and the Eligible Directors and Executive Officers shall conclude an agreement on the allotment of restricted stock (the "Allotment Agreement") under which (1) the Eligible Directors and Executive Officers may not freely transfer, establish a security interest or undertake any other disposal of the shares of the Company's stock allotted pursuant to the Allotment Agreement for a certain period, (2) if a certain event occurs, the common stock of the Company shall be returned to the Company without consideration.

This time, taking into account the purpose of the Compensation Plan, the performance of the Company and the degree of contribution, the scope of the responsibilities of the Eligible Directors and Executive Officers, and a range of circumstances with the aims of hiring talented people as officers/employees and further boosting the motivation of the Eligible Directors and Executive Officers, total monetary compensation receivables of 50,172,928 yen (the "Monetary Compensation Receivables") shall be provided and 48,997 shares of the common stock shall be granted. Regarding 19,038 shares to be granted as performance-linked shares with transfer restrictions, the transfer restriction period shall be one year to further establish a stronger link with the medium- to long-term performance goals, which is one of the goals of the introduction of the Compensation Plan, and because the current business year is the last year of the 2016-2018 Medium-Term Management Plan.

In the New Share Issuance, based on the Compensation Plan, 10 of the Eligible Directors and Executive Officers to be given an allotment shall make in-kind contributions of monetary compensation receivables and shall receive shares of the Company's common stock (the "Allotted Shares").

### 3. Outline of the Allotment Agreement

#### (1) Work-continuation-linked shares with transfer restrictions

- ① Transfer restriction period July 19, 2018 – July 18, 2048
- ② Handling upon retirement

When the Eligible Directors retire from the post of Director of the Company before the transfer restriction period expires, the Allotted Shares shall be naturally returned to the Company without compensation, excluding any case where the retirement is due to death, the completion of the term of office or fixed-age retirement, or any other reasons equivalent to these that the Board of Directors acknowledges to be justifiable.

- ③ Conditions for the removal of transfer restrictions

On the condition that the Eligible Directors remain continuously in the post of Directors of the Company during the transfer restriction period, the transfer restriction period shall be removed upon the expiration of the transfer restriction period of the Allotted Shares. However, if the Eligible Directors retire from the post of Directors of the Company due to death, the completion of the term of office or fixed-age retirement, or any other reasons equivalent to these that the Board of Directors acknowledges to be justifiable prescribed

in (1) ② above, before the transfer restriction period expires, the number of the Allotted Shares from which the transfer restriction shall be removed and the timing of removing the transfer restriction shall be reasonably adjusted.

(2) Performance-linked shares with transfer restrictions

① Transfer restriction period July 19, 2018 – July 18, 2019

② Handling upon retirement

When the Eligible Directors retire from the posts of both Directors of the Company (excluding Audit & Supervisory Committee Members) and Executive Officers before the transfer restriction period expires, the Allotted Shares shall be naturally returned to the Company without compensation, excluding any case where the retirement is due to death, the completion of the term of office or fixed-age retirement, or any other reasons equivalent to these that the Board of Directors acknowledges to be justifiable.

③ Conditions for the removal of transfer restrictions

On the condition that the Eligible Directors remain continuously in the posts of Directors of the Company (excluding Audit & Supervisory Committee Members) or Executive Officers during the transfer restriction period, regarding such number of the Allotted Shares in accordance with the degree of achievement of the performance targets predetermined by the Board of Directors of the Company as to the transfer restriction period, the transfer restriction shall be removed upon the expiration of the transfer restriction period. However, if the Eligible Directors retire from the posts of both Directors of the Company (excluding Audit & Supervisory Committee Members) and Executive Officers due to death, the completion of the term of office or fixed-age retirement, or any other reasons equivalent to these that the Board of Directors acknowledges to be justifiable prescribed in (2) ② above, before the transfer restriction period expires, the number of the Allotted Shares from which the transfer restriction shall be removed and the timing of removing the transfer restriction shall be reasonably adjusted, if necessary.

(3) Return without consideration upon the expiration of the transfer restriction period

The Company shall naturally get back, without consideration, the Allotted Shares from which the transfer restrictions have not been removed based on the provisions of (1) ③ or (2) ③ above upon the expiration of the transfer restriction period (or if the transfer restriction is removed before the transfer restriction period expires, upon the removal).

(4) Stock management

The Allotted Shares shall be managed during the transfer restriction period in an account especially for the Allotted Shares that the Eligible Directors and Executive Officers have opened at a securities firm so that the Eligible Directors and Executive Officers may not freely transfer, establish a security interest or undertake any other disposal of the Allotted Shares. The Company has signed an agreement with the securities firm in connection with the management of the accounts held by the Eligible Directors and Executive Officers to ensure the effectiveness of the transfer restrictions, etc. of the Allotted Shares. Moreover,

the Company has separately obtained the consent of the Eligible Directors and Executive Officers regarding how the account is managed.

(5) Handling upon organizational restructure, etc.

Despite the provisions in (1) ① or (2) ① above, when matters regarding a merger agreement under which the Company will become a non-surviving company, a stock swap agreement under which the Company will be a wholly owned subsidiary, or a stock transfer agreement, and other restructure, etc. are approved by the General Shareholders' Meeting of the Company (the Board of Directors of the Company only when no approval of the Company's General Shareholders' Meeting is required for the restructure, etc.), the Company shall remove the transfer restriction from such number of the Allotted Shares as reasonably determined respectively prior to the effective date of the restructure, etc. based on the period from the commencement date of the transfer restriction period to the date of the approval as to work-continuation-linked shares with transfer restrictions, and based on the degree of achievement of the performance target during the same period as to performance-linked shares with transfer restrictions by a resolution of the Board of Directors during the transfer restriction period. In this case, the Company shall get back the Allotted Shares from which the transfer restrictions have not been removed without consideration upon the removal of the transfer restrictions.

4. Basis for calculation of paid-in amount and its specific details

The New Share Issuance to the parties to be allotted shall be made by monetary compensation receivables that were paid as stock compensation with transfer restrictions for FY2018 based on the Company's Compensation Plan. The issue price is 1,024 yen, the closing price of the common stock of the Company on the First Section of the Tokyo Stock Exchange on June 19, 2018 (the business day prior to the date of the resolution by the Board of Directors) in order to be a price that eliminates arbitrariness. This is the market price just before the date of resolution by the Board of Directors and it is rational, and the Company does not consider that the price is especially favorable to the Company.

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