

May 14, 2019

For immediate release

Company MAEDA CORPORATION
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Notice on Introduction of the Performance-Linked Stock Compensation Plan

The Board of Directors of the Company resolved at the meeting held today to introduce a new performance-linked stock compensation plan, “Board Benefit Trust (BBT)” (referred to as the “Plan” hereinafter), and to submit the agenda item regarding the Plan to the 74th Ordinary General Meeting of Shareholders to be held on June 21, 2019 (referred to as the “General Meeting of Shareholders” hereinafter) as follows.

Description:

1. Background and purpose of introduction

Our aim is to further clarify linkage between the remuneration of Company’s directors (except for those who are outside directors; the same shall apply hereinafter unless otherwise specified) and executive officers (“Eligible Directors, etc.” hereinafter) and the Company’s business performance and share value, to strengthen incentives for Eligible Directors, etc. to increase corporate value, and to promote further value sharing with our shareholders. To this end, the Board of Directors of the Company has resolved to introduce this Plan, on condition that it is approved by the General Meeting of Shareholders, and has decided to submit a proposal for the introduction of this Plan to the General Meeting of Shareholders.

In addition to the remuneration limit for the Company’s directors, which was approved at the 71st Ordinary General Meeting of Shareholders held on June 24, 2016, the Company received approval at the 73rd Ordinary General Meeting of Shareholders held on June 22, 2018. This approval was for setting the annual limit of remuneration for the granting of restricted stocks to the Company’s directors up to 84 million yen per year from the date of the ordinary general meeting of shareholders for each fiscal year to present date. The Company shall, on condition that it is approved by this General Meeting of Shareholders, abolish 27 million yen, taking into account the level of remuneration, from the directors’ remuneration limit related to the resolution, and introduce the Plan as a successor to the abolished limit.

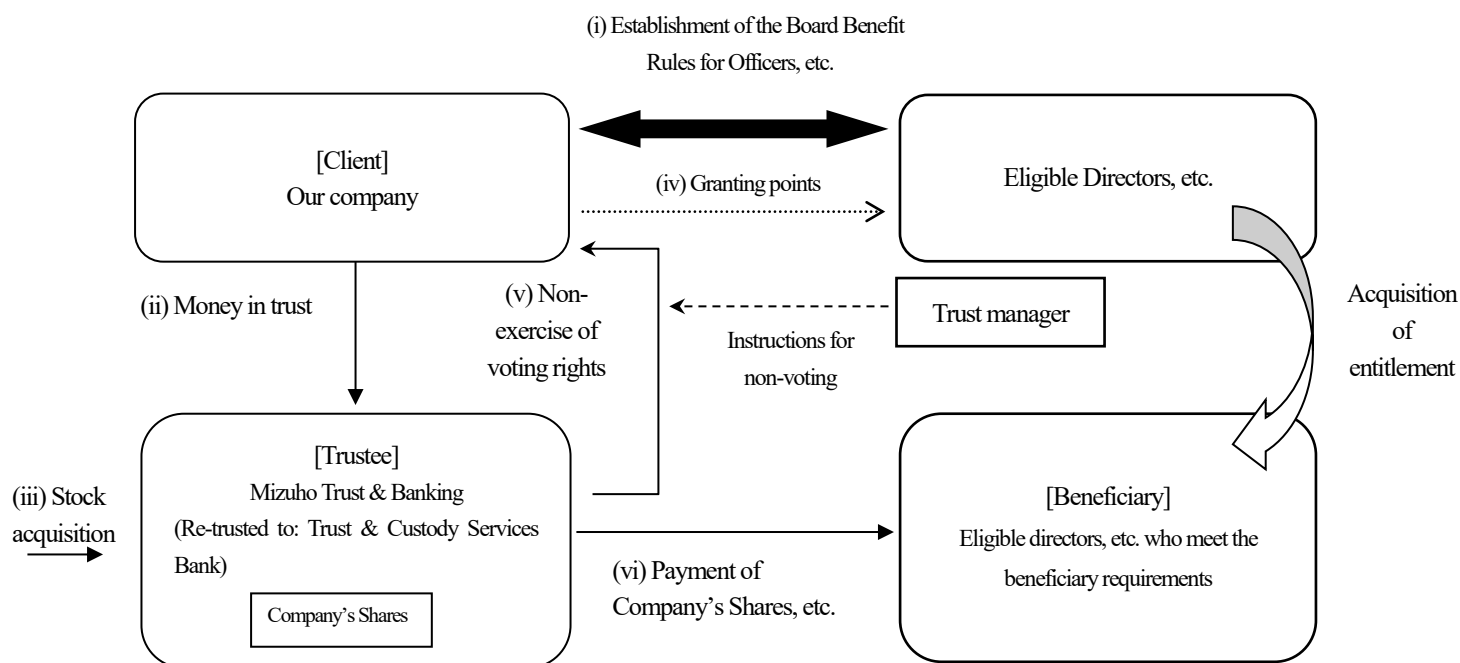
2. Overview of the Plan

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan whereby the Company’s shares are acquired through a trust (the trust established under the Plan shall hereinafter referred to as the “Trust”) with the money contributed by the Company as the source of funds, and Eligible Directors, etc. are paid money equivalent to the Company’s shares and

the market value of the Company's shares ("Company's Shares, etc." hereinafter) through the Trust in accordance with the Board Benefit Rules for Officers, etc. Eligible Directors, etc. shall, in principle, receive benefits of Company's Shares, etc. at a certain time after the end of the period of each of the Company's medium-term business plans (this shall be the same as the "Applicable Period" defined in (4) below).

Mechanism of the Plan



- (i) The Company shall obtain resolution on executive compensation under the Plan at the General Meeting of Shareholders and establish the "Board Benefit Rules for Officers, etc." within the framework approved by the General Meeting of Shareholders.
- (ii) The Company shall trust money to the extent approved by the resolution of General Meeting of Shareholders as in (i).
- (iii) The Trust acquires the Company's Shares using the money entrusted in (ii) as the source of funds, either through a stock exchange market or by undertaking the Company's disposal of treasury stocks.
- (iv) The Company grants points to Eligible Directors, etc. in accordance with the "Board Benefit Rules for Officers, etc."
- (v) The Trust shall not exercise voting rights of the Company's Shares in the Trust Account in accordance with the instructions of the Trust manager, who is independent of the Company.
- (vi) The Trust shall provide the Company's Shares to the Eligible Directors, etc. who meet the requirements of beneficiaries ("Beneficiaries" hereinafter) under the "Board Benefit Rules for Officers, etc." immediately after the end of the Medium-Term Business Plan period in proportion to the number of points granted to such Beneficiaries by a certain date. Provided, however, that if the Eligible Directors, etc. meet the requirements set forth in the Board Benefit Rules for Officers, etc., a certain percentage of the points will be paid to Eligible Directors, etc. in cash equivalent to the market value of Company's Shares.

(2) Persons eligible for the Plan

Directors (Outside directors are not eligible for the Plan) and Executive Officers

(3) Trust period

A Trust period shall be from August 2019 (scheduled) until the termination of the Trust. No specific termination date has been set for the term of the Trust, so the Trust shall continue to exist as long as the Plan continues. The Plan shall be terminated as a result of the delisting of the Company's shares, the abolition of the Company's Board Benefit Rules for Officers, etc.

(4) Trust amount

On condition of obtaining approval of the introduction of the Plan at the General Meeting of Shareholders, the Company shall introduce the Plan for the period covered by the medium-term business plan for the three fiscal years from the

fiscal years of the 75th to 77th Terms (these three fiscal years shall be hereinafter referred to as the “Initial Period”; the period of the medium-term business plan that begins after the expiration of Initial Period shall be referred to as the “Next and Subsequent Periods”), and each subsequent Next and Subsequent Periods thereafter (“Initial Period” and “Next and Subsequent Periods” collectively referred to as the “Period” hereinafter), and contribute the following monies to the Trust as funds for acquisition of the Company’s shares by the Trust in order to provide the Company’s shares, etc. to Eligible Directors, etc.

The maximum amount that the Company may contribute to the Trust for each Period shall be the number of fiscal years specified by the Board of Directors in advance as the applicable Period, multiplied by 240 million yen (of which, 114 million yen for Directors). As a result, the upper limit of the contribution for Initial Period shall be 720 million yen (of which, 342 million yen for Directors).

Provided, however, that if there are any Company’s Shares (equivalent to the number of points granted to Eligible Directors, etc. in each of the immediately preceding Periods, excluding those benefits that have not yet been paid to Eligible Directors, etc.) or cash remaining in the trust assets (“Remaining Shares, etc.”) when additional contributions are made for the Next and Subsequent Periods, the maximum amount of money that can be additionally contributed by the Company to the Trust in Next and Subsequent Periods shall be the above-mentioned maximum amount, less the amount of Remaining Shares, etc. (for Company’s shares, a market price at the end of the immediately preceding Period).

The Company may contribute funds to the Trust in multiple installments during the Period, including the Initial Period, to the extent that the cumulative amount of contributions during the Period reaches the respective maximum amounts described above. If the Company decides to make additional contributions, it shall be disclosed in a timely and appropriate manner.

(5) Method and number of Company’s Shares to be acquired

Acquisition of the Company’s shares by the Trust shall be conducted through the stock exchange market or by disposing the Company’s treasury stocks, using the funds contributed in accordance with (4) above as the source of funds.

During the Initial Period, up to 1,200,000 shares shall be acquired without delay after the establishment of the Trust.

Details of the acquisition of the Company’s shares by the Trust shall be disclosed in a timely and appropriate manner.

(6) Method of calculating the number of Company’s Shares, etc. to be paid to Eligible Directors

Eligible Directors, etc. are entitled to points calculated in accordance with the Board Benefit Rules for Officers, etc., taking into account such factors as their position and the degree of achievement in a single fiscal year, in principle, at every ordinary general meeting of shareholders (“Annual Points”), and points calculated in accordance with the Board Benefit Rules for Officers, etc. for the period of the Medium-Term Business Plan, taking into account such factors as their position and the degree of achievement in the Medium-Term Business Plan, in principle, at the ordinary general meeting of shareholders immediately following the end of the Medium-Term Business Plan period (“Points as of the end of the Plan”). The maximum points to be granted to Eligible Directors, etc. for each Period in the case of Annual Points is 240,000 (including 114,000 points for directors) multiplied by the number of fiscal years specified in advance by the Board of Directors, and in the case of Points as of the end of the Plan, the maximum number of points to be granted is 480,000 (including 228,000 points for directors) for each period of the Medium-Term Business Plan. As a result, the upper limit during Initial Period shall be 1,200,000 points (of which, 570,000 points for Directors).

Each point will be converted into one share of the Company’s common stocks upon provision of the Company’s Shares, etc. as described in (7) below; provided, however, that in the event of a stock split, allotment of shares without contribution or a reverse stock split, etc., of the Company’s shares after the proposal is approved, reasonable adjustments shall be made to the maximum number of points and the number or conversion ratio of the points depending on the ratio, etc.

The number of points for Eligible Directors, etc. to be used as the basis for the payment of Company’s Shares, etc. as described in (7) below shall, in principle, be the sum of Annual Points granted to Eligible Directors, etc. for each Period and the number of Points as of the end of the Plan. (The points calculated in this way shall be referred to as “Number of Fixed Points” hereinafter.)

(7) Payment of Company’s Shares, etc.

Eligible Directors, etc. who meet the beneficiary requirements shall, in principle, receive benefits from the Trust at a

specified time after the end of the Period regarding the Company's shares for the number corresponding to the "Number of Fixed Points" determined in accordance with (6) above by following the prescribed procedures for determining the beneficiaries. Provided, however, that if the requirements set forth in the Board Benefit Rules for Officers, etc. are met, a certain percentage will be paid in cash equivalent to the market value of the Company's shares in lieu of the benefit of the Company's shares. There are cases where the Trust may sell the Company's shares in order to provide monetary benefits.

(8) Exercise of Voting Rights

Voting rights in relation to the Company's shares in the Trust Account shall not be exercised uniformly in accordance with the instructions of the Trust manager. Use of this approach aims to ensure neutrality in the Company management with respect to the exercise of voting rights of the Company's shares in the Trust Account.

(9) Handling of Dividends

Dividends on Company's shares in the Trust account shall be received by the Trust and be used to cover the purchase price of Company's shares and the trust fees, etc. related to this Trust. Upon termination of the Trust, any dividends, etc. remaining in the Trust shall be paid to Eligible Directors, etc. in office at the time in proportion to the number of points held by each Eligible Director, etc. in accordance with the Board Benefit Rules for Officers, etc.

(10) Treatment at the end of the trust

The Trust shall be terminated in the delisting of the Company's shares, abolition of the Company's Board Benefit Rules for Officers, etc. and other events.

Of residual assets of the Trust at its termination, all of the Company's shares (excluding shares provided to Eligible Directors, etc. as described in (7) above) shall be acquired by the Company free of charge and then written off by resolution of the Board of Directors. Of residual assets of the Trust at its termination, the remainder of cash excluding those paid to Eligible Directors, etc. pursuant to (9) above shall be paid to the Company.

Overview of the Trust

- (i) Name : Board Benefit Trust (BBT)
- (ii) Client : Our company
- (iii) Trustee : Mizuho Trust & Banking Co., Ltd.
(Re-trustee: Trust & Custody Services Bank, Ltd.)
- (iv) Beneficiary : Of Eligible Directors, etc., those who meet the beneficiary requirements stipulated in the Board Benefit Rules for Officers, etc.
- (v) Trust manager : Planning to select a third party with no interest in the Company
- (vi) Type of trust : Trust of monies other than the cash in trust (third-party-benefit trust)
- (vii) Date of the Trust Agreement : August 2019 (scheduled)
- (viii) Date of trust : August 2019 (scheduled)
- (ix) Period of trust : From August 2019 (scheduled) until the termination of the trust
(No specific termination date is set, and the trust will continue for as long as the Plan continues.)