



May 22, 2020

To whom it may concern,

Company: Tamagawa Holdings, Co., Ltd.  
Representative: President, Toru Masuzawa  
(JASDAQ Code: 6838)  
Contact: Management Planning Division, Ryota Tanaka  
Tel: 03-6435-6933

## Notice on Introduction of Stock Compensation Plan with Restriction of Transfer

Please be informed that we decided in the board of directors held today to introduce the stock compensation plan (hereafter “the Plan”) with restriction of transfer targeting our company’s director(s) (hereafter “the Target Director(s)”) and to raise discussion of the Bill at the 52nd Ordinary General Shareholders’ Meeting to be held on June 26, 2020 (hereafter the “General Shareholders’ Meeting”)

### 1. Purpose of introduction of the Plan

To give the Target Directors incentive to aim for sustainable improvement of our company’s corporate value as well as promoting further value sharing with the Target Directors and our shareholders.

### 2. Overview of the Plan

#### (1) Type and total number of shares with restriction of transfer to be issued or disposed of for the Target Directors

Shares with restriction of transfer to be issued or disposed of for the Target Directors under the Plan shall be our ordinary shares and such number shall be determined in the board of directors. However, the total number of ordinary shares to be issued or disposed of for the Target Directors within a year from the ordinary general shareholders’ meeting concerning each business year under the Plan shall be within 70,000 shares.

In the case that our company needs share splitting (including complementary allotment of our company’s shares) with the date after the resolution in the General Shareholders’ Meeting as the effective date for the ordinary shares, or adjustment of the total number of our company’s other ordinary shares to be issued or disposed of as shares with restriction of transfer in the case of reverse split, we shall reasonably adjust the total number of the ordinary shares to be issued or disposed of under the Plan in consideration of splitting proportion and reverse split proportion, etc.

#### (2) Payment amount for shares with restriction of transfer

Payment amount per ordinary share to be issued or disposed of for the Target Directors under the Plan shall be determined in the board of directors to the extent where such amount does not become beneficial to the Target Directors based on the closing price of our company’s ordinary shares at Tokyo Stock Exchange on the previous business day of the resolution date of each board of directors determining offers of such ordinary shares (closing price of the latest preceding

dealing date if the deal is not closed on such day).

(3) Provision of monetary compensation credit and contribution in kind

Our company shall provide the monetary compensation credit equivalent to the payment amount of the ordinary shares to be issued or disposed of for each Target Director, and such Target Directors shall pay all of such monetary compensation credit as contribution in kind to receive such ordinary shares.

(4) Execution of agreement of share allotment with restriction of transfer

For issuance or disposition under the Plan, our company and the Target Directors shall enter into the agreement of share allotment with restriction of transfer including the content of the following overview. In addition, if the Target Director is a non-resident of Japan, the stock-price-linked monetary compensation under the conditions equivalent or similar to the shares with restriction of transfer of this Bill (amount equivalent to the shares with restriction of transfer of this Bill or dividends) may be provided to such Target Director as monetary amount.

- ① The Target Director must not transfer to any third party, or make attachment to, or otherwise dispose of, the ordinary shares issued or disposed of under the Plan or a certain period of time.
- ② In the case of a certain reason, our company shall naturally acquire all or part of such ordinary shares for free.

3. Raising discussion for the General Shareholders' Meeting

Since the Plan provides the Target Directors with monetary compensation credit equivalent to the amount paid for ordinary shares to be issued or disposed of as shares with restriction of transfer, we shall raise discussion to the General Shareholders' Meeting the bill required for provision of such monetary compensation credit, issuance or disposition of such ordinary shares must be subject to approval of our shareholders on such bill in the General Shareholders' Meeting.

Additionally, while the compensation amount for our company's directors has been approved in the 29th Ordinary General Shareholders' Meeting held on June 27, 1997 to be within 150,000,000yen annually (however, not including salary as the servants for those serving as servants and directors), provision of the monetary compensation credit by the Plan shall be separately made, and we will ask our shareholders for approval for it to be within 100,000,000yen (among which, less than 4,000,000 for the external directors) annually. For money to be provided to the Target Directors by stock-price-linked monetary compensation which can be provided if the Target Directors are non-residents of Japan, the amount to be recorded as expense for such provision shall be within the scope of less than 100,000,000yen (among which, less than 4,000,000 for the external directors) annually with the monetary compensation for granting of shares with restriction of transfer.