



June 21, 2019

To whom it may concern

Company name: Pressance Corporation Co., Ltd.
Listing: First Section of the Tokyo Stock Exchange
Section code: 3254
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Notice on the issuance of shares with transfer restriction as the remuneration of Directors of the Company and its subsidiaries

At the Meeting of the Board of Directors held on June 21, 2019, Pressance Corporation (the “Company”) has resolved to issue shares with transfer restriction (the “Issuance”) under the subscription terms and conditions determined as follows:

1. Outline of the shares to be issued

(1) Date of payment	July 12, 2019
(2) Type and number of shares to be issued	Total of 34,336 common shares of the Company
(3) Amount to be paid in	1,578 yen per share
(4) Total amount to be paid in	54,182,208 yen
(5) Allottee	Directors of the Company* 9 directors 21,541 shares Directors of the subsidiaries of the Company 9 directors 12,795 shares *Excluding Directors and Outside Directors who are Audit and Supervisory Committee members.
(6) Other	Under the Financial Instruments and Exchange Act of Japan, the Company submitted the Written Notice of Securities for the Issuance.

2. Background and objective of issuance

The Company resolved to introduce a restricted stock remuneration scheme (the “Scheme”) at the Meeting of the Board of Directors held on May 23, 2019, as an incentive for Directors of the Company (excluding Directors and Outside Directors who are Audit and Supervisory Committee members; the same applies hereinafter) to enhance active contributions in raising the Company’s corporate value and enhance value sharing with shareholders by preparing a new scheme for Directors. It was approved at the 22nd Ordinary General Meeting of Shareholders held on June 21, 2019 that (1) the Company provides monetary remuneration claims as properties contributed in kind with respect to the allotment of restricted stock by

establishing a total amount of the monetary remuneration claim for the allotment of restricted stock to the Directors at a maximum of 100 million yen per annum, separate from the existing remuneration for the Directors; (2) transfer restriction period shall be from the date allotment to the date of loss of the status of Director, or others specified at the Meeting of the Board of Directors; as well as (3) (i) The status of Director, or others specified by the Meeting of the Board of Directors, is maintained for the service period specified by the Meeting of the Board, and (ii) If a Directors loses the status of Director of the company, or others specified by the Meeting of the Board, prior to the expiry of the term of service, the Company shall adjust to a reasonable extent as necessary the number of Allotted Shares that shall be released from the Transfer Restriction and the timing of the release from the Transfer Restriction.

The overview of the Scheme is as follows:

<Overview of the Scheme>

Directors of the Company will pay all of the monetary compensation claims provided by the Company under the Scheme as properties contributed in kind, and the Company's common shares will be issued or disposed of.

The total number of common shares that will be issued or disposed of through the Scheme will be up to 100,000 per year, and the paid-in amount per share will be determined at a Board of Directors meeting based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the day of the resolution at Board of Directors meeting (if no transaction has been concluded on the same day, it will be the closing price on the most immediate transaction day), to the extent that the amount is not particularly favorable to the eligible Directors who are accepting the common shares.

For the issuance or disposition of the Company's common shares through the Scheme, the Company and the eligible Directors shall conclude a subscription agreement for shares with transfer restrictions, which includes the following matters:

- [1] Eligible Directors may not transfer, set security rights to or dispose of the Company's common shares to be allotted for a predetermined period.
- [2] The Company will acquire the Company's common shares concerned without charge in the case of an occurrence of certain matters.

The Company resolved at the Meeting of the Board of Directors held on June 21, 2019 to allot the shares with transfer restriction to Directors of its subsidiaries as well as Directors of the Company.

Considering the purpose of the Scheme, performance of the Company, the scope of responsibility of the Allottees and other various factors, (i) the Company has resolved at the Meeting of the Board of Directors held on June 21, 2019 to provide the total sum of the monetary remuneration claims to the Company of 33,991,698 yen to 9 directors of the Company (the "Directors"), and (ii) the subsidiaries of the Company have resolved at the meetings of the Board of Directors of the respective companies to provide the total sum of the monetary remuneration claims to the subsidiaries of the Company of 20,190,510 yen to 9 directors of the subsidiaries of the Company. In addition, at the Meeting of the Board of Directors held on June 21, 2019, the Company has resolved to issue 34,336 shares of common shares (the "Allotted Shares") for the purpose of having these monetary remuneration claims with the total sum of 54,182,208 yen as the subject of contribution in kind (the amount of monetary remuneration claims contributed per share for subscription is 1,578 yen).

<Outline of a subscription agreement for shares with transfer restrictions>

With regard to the Issuance, the Company and the Directors of the Company will conclude a subscription agreement for shares with transfer restrictions (the “Allotment Agreement”) outlined below: The Company will also conclude a corresponding subscription agreement for shares with transfer restriction with Directors of its subsidiaries to whom the issued Shares will be allotted.

(1) Period of transfer restriction

During the period starting from July 12, 2019 (date of payment), to the date of retirement, the Directors of the Company or its subsidiaries must not transfer, set mortgage, or divest the Allotted Shares in any form.

(2) Release of transfer restriction

On the condition that the Directors have maintained the status of Director of the Company or its subsidiaries for the duration of the period from July 12, 2019 (date of payment), to the conclusion of the Ordinary General Meeting of Shareholders for the period ending March 31, 2020 (the “Term of Service”), the Company shall release the transfer restriction of all of the Allotted Shares owned by the Directors at the time of the expiry of the Period. However, if loss of status as Director of the Company or its subsidiaries occurs before the expiry of the Period due to death or other causes recognized by the Board of Directors to be justifiable, a portion of the Allotted Shares owned by the Directors equal to the number of months from July 2019 to the month including the date of loss of status divided by 12 multiplied by the number of Allotted Shares owned by the Directors at that time (provided, however, that if fractions of less than one share result from this calculation, they shall be discarded) shall be released from the transfer restriction at the time right after the Directors’ loss of status.

(3) Gratis acquisition of the Allotted Shares by the Company

Allotted Shares under transfer restriction at the expiry of the transfer restriction period are subject to gratis acquisition by the Company.

(4) Provision on the management of Shares

Allotted Shares shall be managed in a dedicated account with Daiwa Securities Co., Ltd. opened by the Director so that he/she may not transfer, set security rights to or dispose of the Shares until the Shares are released from the transfer restriction.

(5) Handling in situations such as an organizational restructuring

In the event a proposal for the Company to enter into a merger agreement where the Company is extinguished, or a proposal for the Company to enter into a share exchange agreement in which the Company becomes a wholly owned subsidiary, or a proposal concerning a share transfer plan or other organizational restructuring is approved by the General Meeting of Shareholders (or, if such organizational restructuring does not require approval by the General Meeting of Shareholders or by the Meeting of the Board of Directors) during the Period, a portion of the Allotted Shares owned by the Directors equal to the number of months from July 2019 to the month including the date of this approval divided by 12 (provided, however, that if the result exceeds one, it shall be deemed as one) multiplied by the number of Allotted Shares owned by the Directors (provided, however, that if fractions of less than one share result from this calculation, they shall be discarded) at the time of this approval shall be released from the transfer restriction at the time right before the business day prior to the effective date of such organizational restructuring, etc.

3. Basis of Calculation and Specific Details for the Payment Amount

The Issuance will be conducted through the Scheme in which the monetary remuneration claims provided will serve as payment in kind and shall be funded by monetary remuneration claims which were provided by the Company in accordance with the Scheme. To eliminate arbitrariness in the payment price,

the closing price for the common shares of the Company on the First Section of the Tokyo Stock Exchange on June 20, 2019 (the business day prior to the day of resolution at the meeting of the Board of Directors) of 1,578 yen is used as the payment price. The Company considers that, except in extraordinary circumstances, the basis of calculation for the amount is reasonable and appropriately reflects the Company's corporate value, and does not especially favor the Directors.