

To all parties concerned:

FIELDS CORPORATION
Chairman, President and Group CEO:
Hidetoshi Yamamoto
(TSE 1st: 2767)
Inquiries: Hideaki Hatanaka
Corporate Officer, General Manager,
Business Management Department
Tel.: +81-3-5784-2111

Notice Concerning Introduction of Restricted Stock Compensation Plan

FIELDS CORPORATION (hereinafter, the “Company”) hereby announces that at the meeting of its Board of Directors on May 15, 2020, the Company made a resolution to introduce a restricted stock compensation plan (hereinafter, the “Plan”) in light of the Company’s review of the compensation system for its Directors, and to submit a proposal for introduction of the Plan at the 32nd Annual General Meeting of Shareholders to be held on June 17, 2020 (hereinafter, the “General Meeting of Shareholders”).

I. Purpose of and conditions for introduction of the Plan

1. Purpose of introduction of the Plan

The Plan will be introduced for the purpose of more strongly incentivizing the Company’s Directors (excluding Outside Directors; hereinafter, the “Eligible Directors”) to contribute to mid- and long-term performance improvement and sustainable improvement of corporate value, as well as further enhancing value sharing with shareholders.

2. Conditions for introduction of the Plan

Because monetary compensation claims are granted as compensation in order to allot Restricted Stock to the Eligible Directors under the Plan, the introduction of the Plan shall be subject to the approval of the Company’s shareholders at the General Meeting of Shareholders with regard to the grant of such monetary compensation claims. By generally taking each Director’s contributions to the Company and other matters into consideration, the Company intends to request approval from its shareholders that the maximum amount of the compensation under the Plan that are to be provided to the Eligible Directors in the form of monetary compensation claims as compensation, be within the maximum annual compensation of “not more than ¥1,100 million (including “not more than ¥50 million” for Outside Directors)” as approved at the 26th Annual General Meeting of Shareholders held on June 18, 2014.

II. Overview of the Plan

1. Issuance or disposal of and payment for shares of the Company’s common stock

Based on a resolution of the Board of Directors, the Company will grant monetary compensation claims to the Eligible Directors, within the scope of the aforementioned maximum compensation amount. Shares of the Company’s common stock will be issued or disposed of to each Eligible Director as a result of all of such Eligible Director’s monetary compensation claims being contributed to the Company in the form of property contributed in kind.

The amount to be paid for each share of common stock to be newly issued or disposed of by the Company will be determined by the Board of Directors, within a scope constituting an amount that is not particularly favorable to the Eligible Director subscribing for the relevant shares of common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of a resolution by the Board of Directors concerning the issuance or disposal of such restricted stock (or, if no trading takes place on such immediately preceding business day, based on the closing price on the most recent trading day prior thereto).

In addition, the issuance or disposal of the aforementioned shares of common stock to the Eligible Directors shall be subject to their consent to the aforementioned in-kind contribution, and their execution of a restricted stock allotment agreement with the Company which contains the terms set forth in Section 3 below.

2. Maximum total number of shares of common stock to be issued or disposed

The total number of shares of common stock to be issued or disposed of by the Company shall not exceed 314,500 shares in any given year.

However, if the Company conducts a stock split (including, without limitation, an allotment of common stock without consideration) or a reverse stock split of its common stock on or after the date of the resolution of the General Meeting of Shareholders, or if any adjustment to the aforementioned total number of shares of common stock must otherwise be made in a manner similar to any of the foregoing circumstances, the Company shall be entitled to reasonably adjust the aforementioned total number of shares of restricted stock.

3. Terms of restricted stock allotment agreement

In the event of any issuance or disposal of shares of the Company's common stock under the Plan, a restricted stock allotment agreement ("Allotment Agreement") shall be entered into between the Company and each relevant Eligible Director, based on a resolution of the Board of Directors. Each Allotment Agreement shall contain the following terms:

(1) Contents of transfer restriction

An Eligible Director shall not be permitted to transfer, pledge, mortgage, provide as an inter vivos or testamentary gift, or otherwise dispose of the shares of the Company's common stock allotted to him/her pursuant to the relevant Allotment Agreement (the "Allotted Shares") to any third party for a period of two (2) years (the "Transfer Restriction Period") after the delivery of Restricted Stock (the "Transfer Restriction").

(2) Company's acquisition of allotted shares without consideration

If any Eligible Director to whom the Allotted Shares are allotted resigns, retires or is terminated from all of his/her Director and Corporate Officer positions at the Company and its subsidiaries up to the close of the second Annual General Meeting of Shareholders of the Company held after the commencement date of the relevant Transfer Restriction Period, the Company will naturally acquire the Allotted Shares pertaining to such Eligible Director without consideration, unless there is any reason which the Board of Directors considers to be justifiable.

Furthermore, if, as of the expiration of the Transfer Restriction Period specified in (1), the Transfer Restriction for any of the Allotted Shares has not been lifted in accordance with the provisions concerning the grounds for lifting the Transfer Restriction as set forth in (3) below, the Company will naturally acquire such Allotted Shares without consideration.

(3) Lifting of transfer restriction

Provided that the Eligible Director to whom Restricted Stock are allotted has continuously held the relevant Director or Corporate Officer position at the Company or its subsidiaries until the close of the second Annual General Meeting of Shareholders of the Company held after the commencement date of the relevant Transfer Restriction Period, the Company will lift the Transfer Restriction for all of the Allotted Shares as of the expiration of the Transfer Restriction Period.

However, if such Eligible Director resigns, retires or is terminated from all of his/her Director and Executive Officer positions at the Company and its subsidiaries prior to the close of the second Annual General Meeting of Shareholders of the Company held after the commencement date of the relevant Transfer Restriction Period for any reason which the Board of Directors considers to be justifiable, the number of the Allotted Shares regarding which the Transfer Restriction is to be lifted and the timing to lift such Transfer Restriction will be reasonably adjusted as necessary.

(4) Handling in the event of organizational restructuring or other similar circumstances

If, during the Transfer Restriction Period, a proposal for any merger agreement under which the Company is to become an absorbed company, or a proposal for any stock-for-stock exchange or stock transfer plan, or other organizational restructuring, etc. under which the Company is to become a wholly-owned subsidiary is approved by the Company's General Meeting of Shareholders (or by the Board of Directors, if the approval of the general meeting of shareholders is not required for such organizational restructuring, etc.), then the Company will, based on a resolution of the Board of Directors, lift the Transfer Restriction before the effective date of such organizational restructuring, etc.,

for the number of the Allotted Shares reasonably determined in view of the period from the commencement date of the Transfer Restriction Period until the date of approval for such organizational restructuring, etc.

In such case, immediately after the lifting of the Transfer Restriction in accordance with the above provisions, the Company will naturally acquire (without consideration) the Allotted Shares regarding which the Transfer Restriction has not been lifted.

For inquiries or further information please contact

IR Section, Business Management Department, FIELDS CORPORATION
Shibuya Garden Tower, 16-17 Nampeidai-cho, Shibuya-ku, Tokyo 150-0036
Tel.: +81-3-5784-2109 Fax: +81-3-5784-2119