

To all parties concerned:

FIELDS CORPORATION
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Notice Concerning Disposal of treasury shares as a Restricted Stock Compensation

FIELDS CORPORATION (hereinafter, the “Company”) hereby announces that at the meeting of its Board of Directors on June 17, 2020, the Company made a resolution to dispose the treasury shares as a restricted stock compensation (hereinafter, the “Disposal”).

I. Overview of the Disposal

- (1) Payment date: July 15, 2020
- (2) Type and number of shares to be disposed of: 200,000 shares of the Company’s common stock
- (3) Disposal price: ¥342 per share
- (4) Disposal amount: ¥68,400,000
- (5) Counterparties to be disposed of: 200,000 shares in total for 4 of our Director *Excluding Outside Director
- (6) Other: This disposal of treasury shares is subject to the validity of securities notice under the Financial Instruments and Exchange Act.

II. Purpose and reason of the disposal

At the our 32nd Annual General Meeting of Shareholders held today, the following proposal was approved: the introduction of share-based compensation system to deliver restricted stock (hereinafter, the “System”) with the aim of increasing the motivation to contribute to medium-to-long-term improvement of business performance and the sustainable improvement of corporate value, as well as to further share value with our shareholders under the System, setting the total amount of monetary compensation claims to be paid as compensation, etc. for restricted stock within the amount annual compensation of ¥1,100 million as approved at the 26th Annual General Meeting of Shareholders held on June 18, 2014, setting the total number of restricted stock to be allotted to our Director during each fiscal year to be limited to less than 314,500 shares, and setting the transfer restriction period for restricted stock to be 2 years and other.

In addition, at our Director meeting after the 32nd Annual General Meeting of Shareholders, we decided to allocate 200,000 shares of the Company’s common stock as specified limited-transfer shares, in the way our 4 Directors (excluding Outside Director) who are scheduled to be allotted (hereinafter, “allottees”) deliver the all of monetary compensation claims, total ¥68,400,000, granted to allottees for the period from our 32nd to 34th Annual General Meeting of Shareholders scheduled to be held in June 2022 by the method of contribution in kind. The amount of monetary compensation claims for each allottee is determined by comprehensively taking into account various factors such as the degree of contribution of each allottees. In addition, such monetary compensation claims shall be paid on condition that each of the allottees concludes with the Company a stock allocation contract with restriction on transfer (hereinafter, “allocation contract”) that includes the following outline and contents.

III. Overview of the allocation contract

i. Transfer restriction period

From July 15, 2020 to July 14, 2022

During the transfer restriction period as set forth above (hereinafter, “transfer restriction period”), the allottee 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 (hereinafter, the “allotted shares”) to any third party (hereinafter, the “transfer restriction”).

ii. Company's acquisition of restricted stock without consideration

If any allottee 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 relevant transfer restriction period, the Company will naturally acquire the allotted shares pertaining to such allottee 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 (hereinafter, "expiration period"), 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 (iii) below, the Company will naturally acquire such allotted shares without consideration.

iii. Lifting of transfer restriction

Provided that the allottee has continuously held the relevant Director or Corporate Officer position at the Company or its subsidiaries during the transfer restriction period, the Company will lift the transfer restriction for all of the allotted shares as of the expiration period.

However, if the allottee resigns, retires or is terminated from all of his/her Director and Corporate Officer positions at the Company and its subsidiaries before the expiration period, the transfer restriction of the allotted shares may be lifted at the time of retirement. The number of the allotted shares to be lifted is calculated by multiplying the number of month from July 2020 to the month that includes the date when the allottee resigns, retires or is terminated from all of his/her Director and Corporate Officer positions at the Company and its subsidiaries divided by 24, and the number of the allotted shares that the allottee has at the time (any fraction less than 1 share will be rounded down).

iv. Rules of management of shares

The allottee will complete opening of the account described or recorded on the allotment shares in SMBC Nikko Securities Inc., in the manner we designate, and hold and maintain the allotted shares until the transfer restriction is lifted.

v. 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 just before a business day before the effective date of such organizational restructuring, etc. The number of the allotted shares to be lifted is calculated by multiplying the number of month from July 2020 to the month that includes the date when the proposal is approved divided by 24, and the number of the allotted shares that the allottee has at the time (any fraction less than 1 share will be rounded down).

In such case, 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 as business day before the effective date of such organizational restructuring, etc.

IV. Rationale and details of the amount to be paid

The Disposal price of treasury stock is ¥342, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before the resolution date of our Director meeting (June 16, 2020), in order to eliminate arbitrary trading. This is the market price immediately before the resolution date of our Director meeting, and we do not believe that this is a reasonable and particularly favorable price.

For inquiries or further information please contact

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