

May 14, 2024

To all parties concerned:

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Notice of Introduction of Restricted Stock Compensation Plan

TSUBURAYA FIELDS HOLDINGS INC. (hereinafter, the “Company”) hereby announces that at the meeting of its board of directors on May 14, 2024, 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 36th Annual General Meeting of Shareholders to be held on June 19, 2024 (hereinafter, the “General Meeting of Shareholders”).

I. Purpose, etc. for introduction of the Plan

(1) Purpose of introduction of the Plan

The Plan will be introduced as a compensation plan allocating restricted stock for the purpose of more strongly incentivizing the Company’s directors (excluding outside directors) to contribute to medium and long-term performance improvement and sustainable improvement of corporate value, as well as further enhancing long-term 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 Company’s directors (excluding outside directors), 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. At our 26th Annual General Meeting of Shareholders held on June 18, 2014, we received approval to set the amount of remuneration, etc. for our directors at not more than ¥1.1 billion per annum (not more than ¥50 million for outside directors). In addition, at our 35th Annual General Meeting of Shareholders held on June 21, 2023, we received approval for the allocation of share acquisition rights as stock options to directors within the scope of the above-mentioned compensation, etc., and for the allocation of up to 1,160 units of share acquisition rights in each fiscal year (52 units for outside directors) (of which 116,000 shares are to be delivered under exercise of share acquisition rights (of which 5,200 shares for outside directors)). At this General Meeting of Shareholders, the Company intends to request approval from its shareholders the allocation of new restricted shares to our directors (excluding outside directors) as compensation within the scope of the above-mentioned compensation, taking into account various factors such as the contribution of directors to us.

II. Overview of the Plan

1. Allotment and payment of restricted stock

We will pay monetary compensation claims to our directors (excluding outside directors) to the extent

of the above annual amount as compensation for restricted stock, etc. pursuant to the resolution of our board of directors, and each director will receive an allocation of restricted stock by providing all such monetary compensation claims in the form of contribution in kind.

The paid-in amount of restricted stock will be determined by our board of directors based on the closing price of our common stock on the Tokyo Stock Exchange on the business day prior to the date of resolution of our board of directors related to the issuance or disposition of such shares (if a transaction has not been completed on that date, the closing price on the most recent trading day prior to that date) to the extent that it is not specifically favorable to director to assume such restricted stock.

In addition, the above monetary compensation receivables will be paid on the condition that our directors (excluding outside directors) have agreed to the above-mentioned contribution in kind and that we have entered into a restricted share allotment contract that includes the content set forth in (3) below.

2. Total number of restricted stock

The maximum number of shares of restricted stock to be allotted to our directors (excluding outside directors) is 240,000 shares. The total number of shares of restricted stock to be allocated per fiscal year under this plan is no more than 80,000 shares. This is because it is assumed that monetary compensation claims to be paid as part of this plan will be paid in a lump sum during the fiscal year that includes the starting date of the applicable period, while restricted stock will be allocated by receiving benefits in kind for all such monetary compensation claims.

Provided, however, that in the event of a share split (including gratis allotment of our common shares) or a share consolidation of our common shares after the day of the resolution on this proposal, or in the event that it is necessary to adjust the total number of transfer restricted shares to be allotted in accordance with such cases, the total number of such transfer restricted shares may be reasonably adjusted.

3. Content of restricted stock allotment agreement

Upon allotment of restricted shares, the agreement on allotment of restricted shares concluded between the Company and directors receiving the allotment of restricted shares, pursuant to a resolution of board of directors, shall include the following:

(1) Contents of transfer restriction

Directors who received the allotment of restricted shares may not engage in any dispositions of the restricted shares allocated to directors (the “allotment shares”) to a third party, ratio setting of pledge, ratio setting of security interest in assignment, or bequests, or other dispositions (the “Restriction”) between the date of issuance of the restricted shares and the date of resignation or retirement from any of the positions of director and corporate officer of the Company and our subsidiaries (the “restriction period”).

(2) Gratuitous acquisition of restricted shares

We will naturally acquire the allotment shares without charge, unless there is a reason deemed justifiable by our board of directors, in the event that directors, who received the allocation of restricted shares, resigns or retires from any of our or our subsidiaries’ directors and corporate officers positions by the day prior to the date of our Annual General Meeting of Shareholders for the next fiscal year following the fiscal year in which the restricted period commences.

In addition, in the event any of the allotment shares has not been lifted pursuant to the provisions of the grounds for termination of the restriction on transfer set forth in (3) below at the time of expiration of the restriction on transfer set forth in (1) above, we will acquire such allotment shares without compensation as a matter of course.

(3) Lifting of transfer restriction

We will terminate the transfer restriction with respect to all of the allotted shares at the expiration of the restriction period, provided that directors who received the allotment of restricted shares have been in either the position of director or corporate officer of the Company or our subsidiaries on a continuing basis from the commencement date of the restriction transfer period until the opening date of our Annual General Meeting of Shareholders for the fiscal year following the fiscal year in which the restriction on transfer period commences.

However, in the event that such director resigns or retires from any of the positions of director or corporate officer of the Company and our subsidiaries after the commencement date of the restricted stock period and by the day prior to the date of our Annual General Meeting of Shareholders for the next fiscal year following the fiscal year in which the restricted stock period commences, the number of allotment shares to cancel the restricted stock and the timing of lifting the restricted stock transfer shall be reasonably adjusted as required.

(4) Treatment in organizational restructuring, etc.

During the restriction period, the Company shall terminate the transfer restriction of the allotment shares with respect to the number of allotment shares reasonably determined based on the period from the commencement date of the restriction period on transfer to the approval date of the restriction on organization in advance of the effective date of the restriction on transfer, in the event that a proposal concerning the merger agreement in which we become an extinguished company, the share exchange agreement or the share transfer plan of which we become a wholly-owned subsidiary or reorganizational restructuring, etc. is approved at our shareholders meeting (provided, however, that in the event that such organizational restructuring, etc. does not require approval at our shareholders meeting, director meeting of the company) during the restriction period on transfer.

In such a case, we will naturally acquire the allotment shares without charge, immediately after the termination of the restriction on transfer in accordance with the provisions above, for which the restriction on transfer has not yet been terminated.