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### **Notice of the Introduction of a Stock Compensation Plan for the Directors and the Employees of the Group**

Meiko Network Japan Co., Ltd. (the “Company”) hereby announces that, at the meeting of its Board of Directors held today, the Company resolved as follows to introduce a stock compensation plan using a trust (the “Plan”) for the Directors (excluding Outside Directors) and the employees of the Company and the major group subsidiaries of the Company (the “Applicable Subsidiaries” with the Company and the Applicable Subsidiaries collectively referred to as “the Applicable Companies”).

The Company will announce the details of the Plan when they are determined upon another resolution at a meeting of the Board of Directors to be held at a later date.

The introduction of the Plan for the Directors of the Company is scheduled to be submitted for approval at the 36th Annual Meeting of Shareholders scheduled to be held in November this year (the “Shareholders Meeting”). The Company will announce this when it is determined.

#### **1. Introduction of a Performance-linked Stock Compensation Plan Using a Trust for the Directors**

The compensation of the Directors of the Company has until now consisted of basic compensation, officers’ bonuses and stock options. However, the Company has decided to stop awarding new stock options and to introduce a new performance-linked stock compensation plan for the Directors of the Company.

The purpose of the Plan is as follows: The plan will further clarify the link between the compensation of the Directors and the business performance and stock value of the Company. The Directors will share the benefits and risks of stock price fluctuations with shareholders. This will raise the awareness of the Directors to contribute to improving business performance and to increasing corporate value in the mid- to long-term.

The compensation of the Directors of the Company will consist of basic compensation, officers’ bonuses and stock compensation with the introduction of the Plan.

The introduction of the Plan is subject to the approval of the agenda item relating to the Plan at the Shareholders Meeting and the shareholders meetings of the Applicable Subsidiaries.

If the introduction of the Plan is approved at the Shareholders Meeting, the Company also plans to introduce a performance-linked stock compensation plan for the Directors of the Applicable Subsidiaries. This will

be the same as the one for the Directors of the Company. In this case, the Directors of the Applicable Subsidiaries will be the beneficiaries of the trust in the Plan in the same way as with the Directors of the Company. In addition, the Company will also entrust the trust with the funds to acquire the shares to be granted to the Directors of the Applicable Subsidiaries.

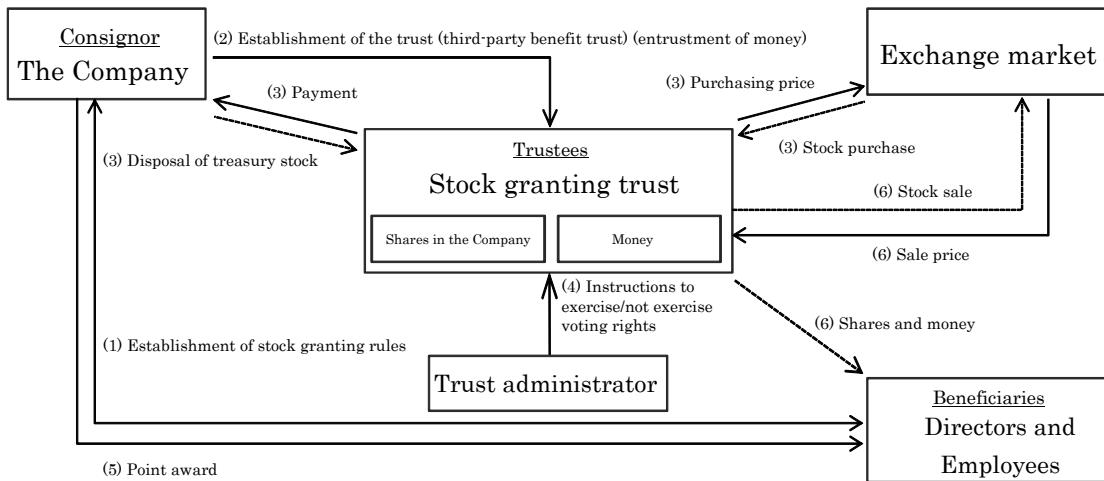
## 2. Introduction of a Stock Compensation Plan Using a Trust for Employees

The Company will introduce the Plan as an incentive plan to further promote execution of operations aimed at improving business performance and to improve corporate value in the mid- to long-term. This will be achieved by raising the awareness of the employees of the Applicable Companies (the “Employees”) toward the business performance and stock value of the Company.

The Plan is an incentive plan for the Employees. The trust established with the contribution of money by the Company (the “Trust”) will acquire common shares in the Company (the “Shares in the Company”). The Trust will then grant to the Employees the number of the Shares in the Company equivalent to the number of points awarded to the Employees (only those who satisfy certain requirements) by the Applicable Companies. The said points will be awarded according to the positions of the Employees in accordance with the stock granting rules established by the Boards of Directors of the Applicable Companies. The number of the Shares in the Company granted to the Employees will be determined by the number of points they have been awarded. The funds to acquire the Shares in the Company by the Trust will be contributed in full by the Company. Therefore, there will be no burden on the Employees.

The Employees will be able to enjoy the economic benefits from the rise in the price of the Shares in the Company with the introduction of the Plan. Accordingly, the Company expects this to have the effect of encouraging execution of operations by the Employees with awareness of the stock price and an increase in the will to work of the Employees.

## 3. Mechanism of the Plan



- (1) The Applicable Companies will establish stock granting rules for the Directors and the Employees of the Applicable Companies.
- (2) The Company will establish the following: a. an officer stock granting trust (third-party benefit trust) for the Directors of the Applicable Companies and b. an employee stock granting trust (third-party benefit trust) for the Employees of the Applicable Companies (with a. and b. collectively referred to as the “Trust”). At that time, the Company will entrust money of an amount equivalent to the stock acquisition funds to the trustees. (However, this will be within the range of the amount approved at the Shareholders Meeting for the funds to acquire the shares to be granted to the Directors of the Company.)
- (3) The trustees will collectively acquire a number of the Shares in the Company equivalent to that expected to be granted in the future. (This will be done by the disposal of treasury stock or by acquisition from an exchange market (including off-auction trading).)
- (4) The Company will appoint a trust administrator (a party independent of the Company and the officers of the Company) to protect the interests of the beneficiaries subject to the stock granting rules and to supervise the trustees through the trust period. The trust administrator will instruct the trustees to not exercise voting rights for the Shares in the Company in the officer stock granting trust. The trustees will then not exercise the said voting rights through the trust period based on the said instructions. In addition, the trust administrator will instruct the trustees to exercise voting rights for the Shares in the Company in the employee stock granting trust.
- (5) The Applicable Companies will award points to the Directors and the Employees based on the stock granting rules.
- (6) The Directors and the Employees who have satisfied the requirements stipulated in the stock granting rules and the trust agreement pertaining to the Trust will receive from the trustees the Shares in the Company according to the points they have been awarded as beneficiaries of the Trust. If applicable to certain grounds stipulated in advance in the stock granting rules and the trust agreement, some of the Shares in the Company to be granted to the beneficiaries will be sold on an exchange market and the money given to them.