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FOR IMMEDIATE RELEASE

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Notice Regarding the Introduction of Performance-Based Stock Compensation Plan Using the Trust

MARUKA FURUSATO Corporation (the “Company”) announces as described below that, after the discussion in its Compensation Committee, the Board of Directors held today resolved to introduce the new Performance-Based Stock Compensation Plan (the “Plan”) for Directors of the Company (excluding Outside Directors), Directors of Furusato Industries, Ltd.(“Furusato”), and Directors and Executive Officers of Maruka Corporation(“Maruka”), replacing the actual Directors’ Compensation Plan, and to submit the related proposal to the 1st Ordinary General Meeting of Shareholders scheduled to be held on March 30, 2022.

The compensation quota by the Plan would be set in addition to the compensation amount in cash for Directors which will be submitted to the same General Meeting of Shareholders.

1. Basic policy of compensation for Directors

- (1) When the Company decides the compensation for Directors, in order to assure the transparency and the objectivity, the Compensation Committee set under the Board of Directors, in which the majority is comprised of Outside Directors and the Committee Chair is Outside Director, will discuss and report the contents of discussion to the Board of Directors, which will discuss and resolve the compensation.
- (2) The compensation for Directors of the Company is set within the range of total compensation resolved by the General Meeting of Shareholders, based on the following policies.
 - ① It is appropriate for the range of function and responsibility by each position.
 - ② It is linked to the business performance of the Company.
 - ③ It is to enhance the contribution consciousness for the mid- and long-term improvement of corporate value.
 - ④ It puts the importance on sharing the profit consciousness with Shareholders.
 - ⑤ Transparency and objectivity are assured in the process to decide the compensation.
 - ⑥ It is the compensation level which secures the excellent managing human resources.
- (3) The compensation for Directors of the Company is comprised of ① “Basic compensation”(fixed

compensation) based on the position, ②”Bonus for Directors” based on the short-term business performance, ③”Performance-Based Stock Compensation(the Plan)” linked to the KPIs of mid-term business plan.

2. Objective, etc. of the introduction of the Plan

- (1) The Company would introduce the Plan for Directors of the Company (excluding Outside Directors), Directors of Furusato, and Directors and Executive Officers of Maruka (the “Directors, etc.”), with a high linkage to the business performance of the Company and high transparency and objectivity, for the purpose of enhancing the contribution consciousness to the business performance improvement and the increase of corporate value in the mid-and-long-term perspectives, in condition that the General Meeting of Shareholders resolves the Plan.
- (2) The Company will not grant the annual points to Directors of Furusato and Directors and Executive Officers of Maruka without function of Directors of the Company (excluding Outside Directors) for a while. However, the points granted as cumulative points based on the Stock Delivery Rule of Furusato and the Directors’ Stock Benefit Rule of Maruka related to the Performance-Based Stock Compensation Plan of Furusato and Maruka (“Old Plans”) will be newly granted to the eligible persons of the Plan and will be treated as cumulative points of the Plan.
- (3) For the introduction of the Plan, due to the establishment of the joint Holding Company for the integration of Furusato and Maruka, the Company will succeed from Maruka, the position as the consigner of the Trust already set by the former plan of Maruka with necessary revisions in line with the Plan and additional money trust on the necessity, which will be continuously used as the Trust of the Plan.
- (4) Furusato and Maruka will introduce the Plan in condition that General Meetings of Shareholders of respective companies would resolve the Plan as compensation to Directors.

3. Outline of the Plan

(1) Outline of the Plan

The Plan is the Performance-Based Stock Compensation Plan in which the Company allots the money (including cost and commission of the Trust) as compensation to Directors, etc. (its upper limit is as described in (6) below) in order to acquire the reasonable anticipated numbers of Stocks of the Company for a certain period in advance to be benefitted to Directors, etc. based on the Plan, and the Trust acquires the Stocks of the Company in exchange of the money, and the Stocks or the money equivalent to the market value of the Stocks(the “Stocks, etc.”) are benefitted according to the Directors’ Stock Benefit Rule set by the Company, Furusato or Maruka. Basically Directors, etc. will be benefitted the Stocks when they retire as Directors, etc.

Resona Bank Ltd. as the Trustee of the Plan will re-trust the trusted assets to Custody Bank of Japan, Ltd.

(2) Persons to be benefitted by the Plan

Directors of the Company (excluding Outside Directors), Directors of Furusato and Directors and Executive Officers of Maruka will be benefitted.

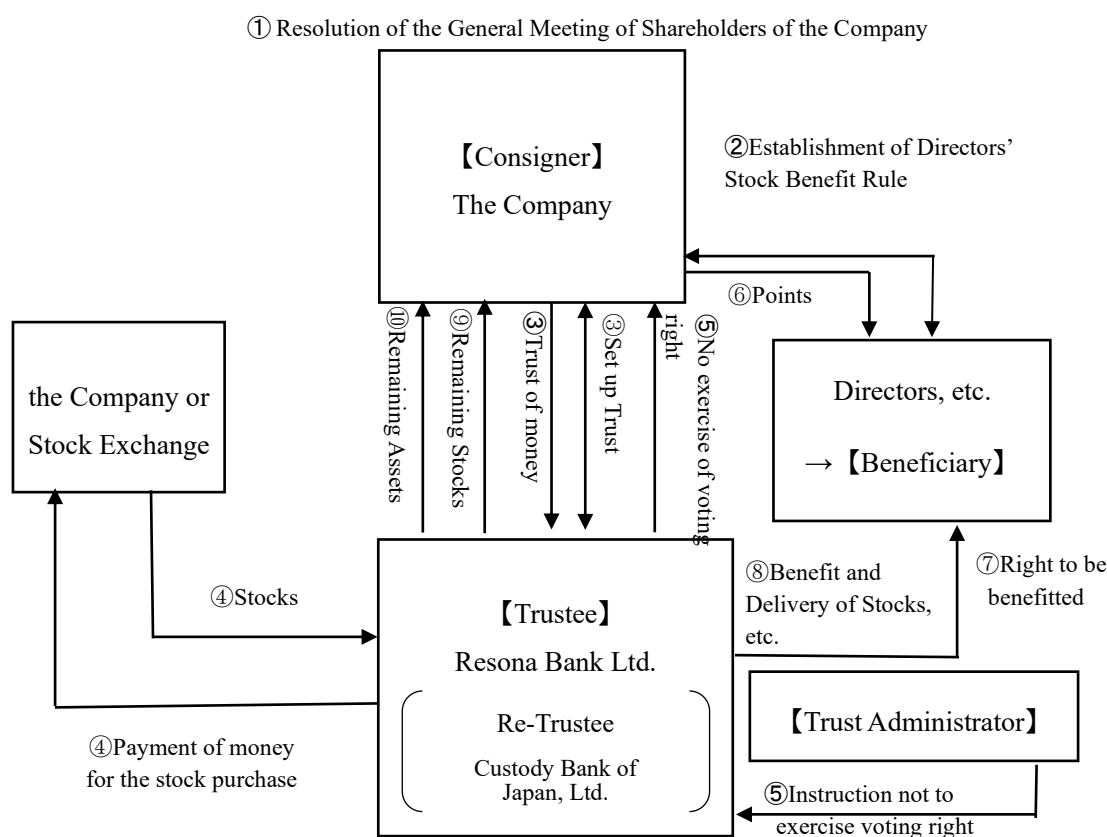
(3) Coverage Period

The coverage period at the beginning (“Beginning Period”) is 5 FYs from the FY ending at the end of December, 2022 to the FY ending at the end of December, 2026. However, the Company can prolong the Plan by 5 FYs since the end of Beginning Period afterwards (or the period which the Board of Directors resolves in such a case) and can prolong it afterwards in the same manner. (“Coverage Period” for each period including the Beginning Period)

(4) Set-Up of the Trust for the management of the Plan

The company sets up and manages the Trust described below on the agreement with the Trustee.

(Framework of the Plan)



- ① The Company, Furusato and Maruka (“Related Companies”) resolve Directors’ compensation related to the introduction of the Plan at respective General Meeting of Shareholders.
- ② Related Companies respectively set the Stock Benefit Rule related to Directors’ compensation at each Board of Directors to introduce the Plan and decide the basis, etc. of points-granting and stock-delivering and benefitting.
- ③ The Company, within the range approved by the General Meeting of Shareholders as ① above, trusts the money and sets up the Trust (succeeds the position as consigner) regarding the eligible Directors, etc. as candidates of beneficiary (the “Trust”). Furthermore, the Company can additionally trust the money within the range approved at the General Meeting of Shareholders.

- ④ The Trust acquires the Stocks of the Company from the Company (by allotment of treasury stocks) or through the stock exchange (including off-auction transactions) in compensation of the money trusted by ③ above.
- ⑤ Related to Stocks in the Trust, the voting rights are not exercised through the Trust period.
- ⑥ The Company grants points to Directors, etc. based on the Directors' Stock Benefit Rules.
- ⑦ Directors, etc. fulfilling the requirement defined in the Directors' Stock Benefit Rules and Trust contract regarding the Trust receive the right to benefitted Stocks of the Company and the money, becoming beneficiaries.
- ⑧ The Trustee delivers the Stocks and pays the money to the beneficiaries.
- ⑨ In case that the remaining Stocks arise at the end of the Trust period, the Company continuously uses the Trust according to the Plan or the similar Stock Compensation plan with the revision of the Trust contract and the additional allotment by the resolution, etc. of the Board of Directors, or the Trust transfers gratuitously the remaining Stocks to the Company and the Company cancels them by the resolution of the Board of Directors.
- ⑩ The trust cost reserve, which is the money trusted by the Company less the Stock purchasing money at the time of the liquidation of the Trust, belongs to the Company. Other remaining assets will be delivered to the beneficiaries or be donated to the public interest organizations.

(5) Trust Period

From Apr.21, 2016 to Apr.30, 2022 (will be prolonged by the revision of Trust contract dated Apr.28,2022 until Dec. 31, 2026)

The Company can prolong again the Trust at the end of the Trust period of the Trust by the revision of the Trust contract and additional trust, and also prolong afterward in the same manner. The Plan will be finished by delisting of Stocks of the Company, abolishment of the Directors' Stock Benefit Rules, etc.

(6) Upper limit of the money trusted by the Company and the number of Stocks acquired by the Trust

The Company allots the money up to JPY202 million (in which, JPY121 million is for Directors of the Company (excluding Outside Directors), JPY81 million as equivalents to the cumulative points granted to the eligible persons by Old Plans) and sets up the Trust (succeeds the position as consigner) regarding Directors, etc. fulfilling the requirement as beneficiaries. However, in case that there is remaining Stocks of the Company and the money in the Trust assets (the "Remaining Stocks, etc. at succession"), Remaining Stocks, etc. at succession will be allotted as the compensation based on the Plan during the Beginning Period. And the upper limit of the money which can be allotted additionally during the Beginning Period is JPY202 million less the number of Remaining Stocks, etc. at succession (regarding Stocks, the market value at the time of succession of the position as consigner is regarded as the number of remaining Stocks).

And the Company can trust the additional money to acquire the Stocks within the range mentioned above during the Beginning Period.

The Trust, in compensation of the money which the Company trusts, acquires the Stocks of the Company through the Stock Exchange or accepting the allotment of treasury stocks by the Company.

Meanwhile, the Company, even after the Beginning Period, during respective Coverage Periods, can additionally allot the money up to JPY121 million for the Directors (excluding Outside Directors) of the Company. However, at the time of the allotment mentioned, in case that there is the remaining Stocks (excluding the Stocks equivalents to the points (points are described in (8) below) granted to Directors, etc. which are not benefitted) and the money (the “Remaining Stocks, etc.”) at the end of the preceding period, the Remaining Stocks, etc. will be added to the origin for the benefit based on the Plan in the following period and the upper limit of the additional allotment during the period is JPY121 million less the amount of the Remaining Stocks, etc. (in case of Stocks, the market value at the end of the preceding period is regarded as the amount of the remaining Stocks). At the same time the upper limit of the number of Stocks to be acquired by the Trust during the period is 88 thousand shares (of which, 51 thousand shares are for Directors of the Company (excluding Outside Directors) and 37 thousand shares are for equivalents to the cumulative points granted to the eligible persons by the Old Plans), and during the periods afterwards 51 thousand shares are for Directors of the Company (excluding Outside Directors) (In case that there arises a stock split, gratuitous stock allotment or stock merging, etc., the number of shares shall be adjusted reasonably in accordance with the ratio, etc.)

(7) Method to acquire the Stocks of the Company by the Trust

The Trust acquires the Stocks of the Company through the Stock Exchange or acceptance of the allotment of treasury stocks by the Company up to the upper limit to be allotted to the Trust described in (6) above.

(8) Calculation method and the upper limit of the number of Stocks of the Company to be benefitted to the eligible persons with the Plan

Directors, etc. will be granted the point in each FY according to the position and the achievement during the FY within the Coverage Period. Regarding the points granted, 1 point will be exchanged to 1 ordinary Stock of the Company at the time of benefitting (in case that there arises a Stock split, gratuitous allotment of Stocks or Stock Merging after the approval of this proposal, a reasonable adjustment based on the ratio, etc. will be reflected in the exchange ratio.)

Directors, etc. will be granted a certain number of points calculated from the basic points by position during each FY in respective Coverage Period, multiplied by the performance-linked coefficient calculated based on the business achievement. The performance-linked coefficient is the degree of the achievement of forecasted OP margin and ROE on the consolidated basis at the beginning of each FY described in the Earnings Release and is within the range between 0.0 and 1.2.

The upper limit of the cumulative number of Stocks to be benefitted to Directors, etc. of the group of the Company is 88 thousand shares for the Beginning Period (of which 51 thousand shares are for the Directors of the Company (excluding Outside Directors) and 37 thousand shares are for the equivalents to the cumulative points granted to the eligible persons of the Old Plan), and 51 thousand shares for the Directors of the Company (excluding Outside Directors) in the following Trust Periods.

(9) Time to benefit Stocks of the Company to the eligible persons of the Plan

Basically, the number of Stocks will be benefitted in accordance with the actual points fixed at the time of retiring from the Directors in case that the Directors, etc. of the Company retires and fulfils the

requirement of beneficiary, by realizing certain procedures to fix the rights of beneficiary. In such a case, the Stocks equivalent to 70% of fixed points will be benefitted, and the Stocks of the Company equivalent to the remaining point will be exchanged in the Trust and the money equivalent to the exchanged value will be benefitted.

However, in case that the Directors, etc. who fulfilled the requirement of beneficiary during the Trust period retire for their death, the Stocks of the Company equivalent to the fixed point at the time will be exchanged to the cash in the Trust and the cash will be granted to the heirs of the Directors.

(10) Clawback structure, etc.

In case that the eligible Directors, etc. arise serious fraudulent or illegal acts, etc., the Directors can be deprived the right to be benefitted the Stocks in the Plan (Malus) and be forced to return the money equivalent to the Stocks benefitted (Clawback).

(11) Voting Rights of the Stocks of the Company in the Trust

All the voting rights of the Stocks of the Company in the Trust are not exercised to assure the independence of the Trust from the Management.

(12) Treatment of the Dividend of the Stocks of the Company in the Trust

The Trust receives the Dividends regarding the Stocks of the Company in the Trust, which will be added to the purchase of the Stocks of the Company, Trust cost such as Trust commission. The remaining Dividends in the Trust at the time of finishing the Trust will be benefitted in a proportional manner according to respective cumulative points to the existing eligible persons at the time, or will be donated to public interest companies.

(13) Treatment at the time of finishing the Trust

Among the remaining assets of the Trust at the time of finishing, the Stocks of the Company will be acquired gratuitously by the Company and will be canceled or donated to public interest organizations with the resolution of the Board of Directors. Among the remaining assets of the Trust at the time of finishing, the money will be benefitted in a proportional manner according to respective cumulative points to the existing eligible persons at the time, or will be donated to public interest organizations.

【Outline of the Trust】

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| ① Kind of Trust: | Money Trust other than a specified cash trust (third party benefit trust) |
| ② Consigner : | The Company |
| ③ Trustee : | Resona Bank, Ltd.
Resona Bank, Ltd. concludes a Specified comprehensive trust contract with Custody Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. becomes the re-Trustee. |
| ④ Beneficiary: | Persons fulfilling the requirement of beneficiary among the Directors, etc. |
| ⑤ Trust Administrator : | The third party without interest relation with the Company |

- ⑥ Date of the contract of the Trust : April 21, 2016
(Revision will be made to the contract of the Trust on April 28, 2022.)
- ⑦ Trust
Period : From April 21, 2016 to April 30, 2022
(will be prolonged until December 31, 2026 with the revision of the Contract of the Trust dated April 28, 2022)
- ⑧ Exercise of voting rights : Not to be exercised
- ⑨ Kind of acquired Stocks : Ordinary Stocks of the Company