

## Translation

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March 7, 2019

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### **Notice Regarding Start of Consideration for Introduction of Board Benefit Trust (BBT)**

YAMAZEN CORPORATION (the “Company”) hereby announces that the Board of Directors, at a meeting held on March 7, 2019, resolved to consider the introduction of a new share-based remuneration plan called “Board Benefit Trust (BBT)” (the “Plan”) for Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) and Corporate Officers of the Company (collectively, the “Directors and Other Officers”), as described below.

Details of the Plan will first be resolved at a meeting of the Board of Directors to be held at a later date. After this, the Company plans to submit the proposal thereon to the 73rd Annual General Meeting of Shareholders to be held on June 26, 2019 (the “General Meeting of Shareholders”).

#### 1. Background and purpose for introduction

The purpose of considering the introduction of the Plan is to further clarify the linkage of the remuneration for Directors and Other Officers and the Company’s business performance and its share value, and to enhance their motivation to contribute to the improvement of the Company’s business performance in the medium to long term and the enhancement of its corporate value by sharing not only the benefit of the rise in share prices but also the risks of a decline in share prices with the Company’s shareholders.

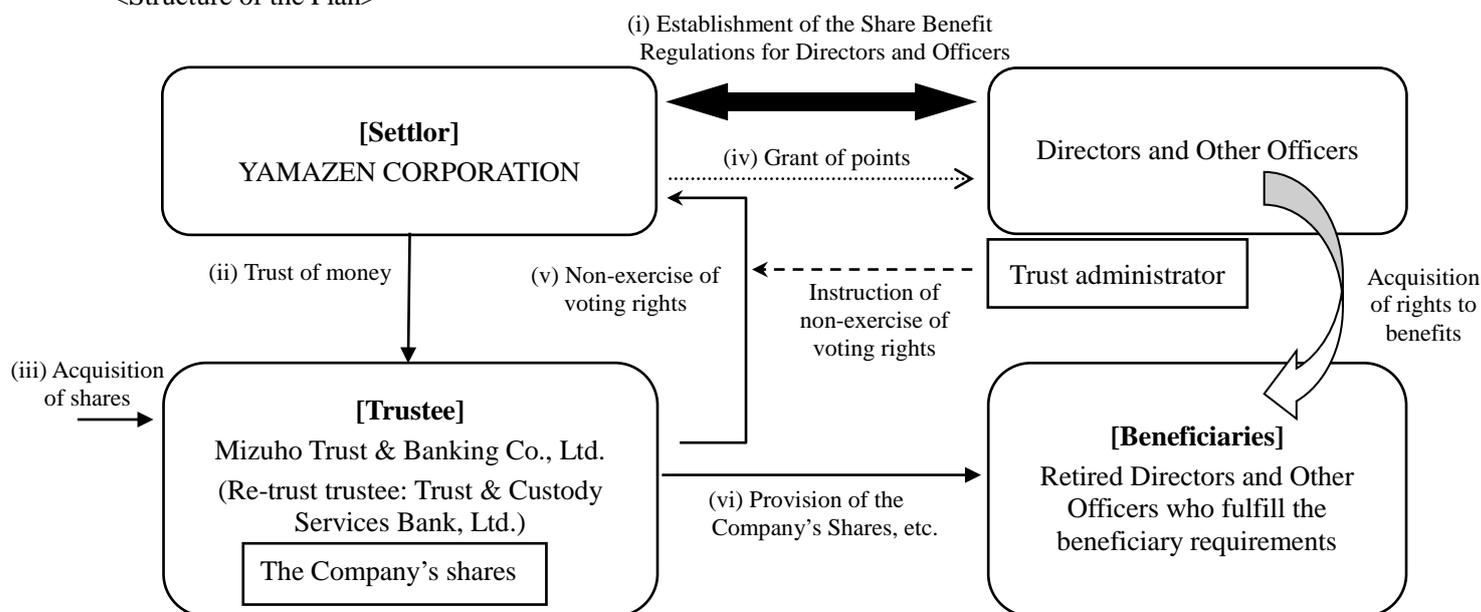
Introduction of the Plan is subject to approval at the General Meeting of Shareholders.

#### 2. Overview of the Plan

The Plan is a performance-linked share-based remuneration plan under which the Company’s shares are acquired through a trust (the “Trust”) using money contributed by the Company as the financial funds, and the Directors and Other Officers are provided with the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (the “Company’s Shares, etc.”) through the Trust according to such factors as their titles and the degree of attainment of the performance target, pursuant to the “Share Benefit Regulations for Directors and Officers” established by the Board of Directors of the Company.

The Directors and Other Officers shall receive the Company’s Shares, etc. upon their retirement, in principle.

<Structure of the Plan>



- (i) After the proposal regarding remuneration for officers in the Plan is approved at the General Meeting of Shareholders, the Company will establish the Share Benefit Regulations for Directors and Officers within the scope of the framework approved at the General Meeting of Shareholders.
- (ii) The Company will entrust the money within the limit of the approval at the General Meeting of Shareholders as described in (i).
- (iii) The money entrusted as described in (ii) is used by the Trust as financial funds for acquisition of the Company's shares through the stock market on which the Company's shares are listed or by subscribing to the Company's treasury shares disposed.
- (iv) The Company will grant points to the Directors and Other Officers based on the "Share Benefit Regulations for Directors and Officers."
- (v) In accordance with the instruction of the trust administrator independent of the Company, the Trust shall not exercise the voting rights for the Company's shares within the Trust account.
- (vi) The Trust will provide the retired Directors and Other Officers who fulfill the beneficiary requirements stipulated in the "Share Benefit Regulations for Directors and Officers" (the "Beneficiaries") with the Company's shares in proportion to the number of points that each of the Beneficiaries have been respectively granted. However, if the Directors and Other Officers fulfill the requirements stipulated in the "Share Benefit Regulations for Directors and Officers," the Trust will provide them with an amount of money equivalent to the market value of the Company's shares for a certain proportion of their points.

(Reference) **[Outline of the Trust]** (planned)

- (i) Name: Board Benefit Trust (BBT)
- (ii) Settlor: YAMAZEN CORPORATION
- (iii) Trustee: Mizuho Trust & Banking Co., Ltd.  
(Re-trust trustee: Trust & Custody Services Bank, Ltd.)
- (iv) Beneficiaries: Retired Directors and Other Officers who fulfill the beneficiary requirements stipulated in the Share Benefit Regulations for Directors and Officers
- (v) Trust administrator: The Company plans to select a third party that has no interest in the Company
- (vi) Type of trust: Trust of money other than money trust (third-party-benefit trust)
- (vii) Class of shares to be acquired: The Company's common shares

\* The above is an outline of the Plan in its current form. Changes to the Plan may be made as a result of the consideration.

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