

News Release Dated May 9, 2019

Company name: Helios Techno Holding Co., Ltd.
Stock code: 6927
Stock exchange listing: Tokyo Stock Exchange (First Section)
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Announcement Regarding Establishment of Restricted Stock Compensation Plan

The Board of Directors of Helios Techno Holding Co., Ltd. reviewed the compensation plan for officers and approved a resolution on May 9, 2019 to establish a restricted stock compensation plan (the “Compensation Plan”). A proposal to establish the Compensation Plan will be submitted at the 43rd General Meeting of Shareholders that is to be held on June 21, 2019 (the “2019 Shareholders Meeting”).

1. Purpose and terms of the Compensation Plan

(1) Purpose of establishing the Compensation Plan

The objective of the Compensation Plan is to further increase the sharing of value with our shareholders by offering incentives to Directors excluding Outside Directors (the “Directors Covered by the Plan”) for sustainable growth of corporate value.

(2) Terms of the Compensation Plan

The Compensation Plan will grant the Directors Covered by the Plan restricted stock as compensation in the form of a monetary claim. As a result, the establishment of the Compensation Plan will require the approval of shareholders at the 2019 shareholders Meeting for the payment of this compensation as monetary compensation claims.

At the 36th General Meeting of Shareholders that was held on June 22, 2012, shareholders approved a resolution that limits the annual compensation of Directors to 240 million yen (including a maximum of 20 million yen for Outside Directors; the limit does not include employee salaries for Directors who serve concurrently as employees). The maximum compensation of stock options for Directors is also limited to the same amount. At the 2019 Shareholders Meeting, we plan to ask shareholders to approve the abolishment of the current stock option compensation and the establishment of new compensation allocation for the Directors Covered by the Plan for the Compensation Plan.

2. Overview of the Compensation Plan

Directors Covered by the Plan use all monetary compensation claims received from Helios Techno through the Compensation Plan as payment for receiving newly issued or existing common stock of Helios Techno.

The aggregate annual amount of monetary compensation claims that can be distributed to the Directors Covered by the Plan through the Compensation Plan is a maximum of 30 million yen (not including employee salaries for Directors who serve concurrently as employees). The specific payment timing and allocation for each of the Directors Covered by the Plan shall be determined by the Board of Directors.

The annual limit for newly issued or existing common stock of Helios Techno that can be distributed through the Compensation Plan is 50,000 shares. However, if there is a split (including a gratis allocation of Helios Techno's common stock) or consolidation of Helios Techno's common stock that becomes effective on or after the date of the 2019 Shareholders Meeting resolution to establish the Compensation Plan, this annual limit will be adjusted in a reasonable extent as needed to reflect the split ratio, consolidation ratio or other item after the effective date. The amount to be paid per share shall be determined at the Board of Directors based on the closing price of the common stock of Helios Techno in the Tokyo Stock Exchange on the business day immediately prior to the date of the corresponding resolution of the Board of Directors (if the Helios Techno's shares were not traded that day, the closing price on the most recent preceding trading day) within the amount not particularly advantageous to the Directors covered by the Plan who underwrite said common stock.

When newly issued or existing common stock of Helios Techno is distributed through the Compensation Plan, a Director Covered by the Plan must sign a restricted stock allocation contract with Helios Techno that includes the following terms: (1) During the designated period (the Transfer Restriction Period), the Compensation Plan stock cannot be sold to a third party, used as collateral or transferred to another owner in any way; (2) In certain specified events, Helios Techno may acquire the Compensation Plan stock at no cost. Helios Techno plans to require the Directors Covered by the Plan who hold Compensation Plan stock to place this stock in an account at Nomura Securities Co., Ltd. established solely for this purpose in order to prevent the sale, use as collateral or other transfer of ownership of this stock during the Transfer Restriction Period.