

To whom it may concern:

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Company name: T.RAD Co., Ltd.  
Representative: Tomio Miyazaki, President & COO  
Code No.: 7236  
Tokyo Stock Exchange, First Section  
Contact: Norio Kanai, Managing Director & CFO,  
Tel: +81-3-3373-1101

## Notice Regarding Issuance of New Shares as Restricted Shares Compensation

This is to announce that the Board of Directors has held its meeting today and resolved the Company's issuance of new shares (hereinafter referred to as "the issuance of the new shares") as restricted shares compensation as follows:

### 1. Issuance Summary

(1) Payment date	August 20, 2020
(2) Type and number of shares to be issued	The Company's 36,306 common shares
(3) Value of shares issued	1,366 yen per share
(4) Total value of shares issued	49,593,996 yen
(5) Assignees	Five Directors: (*) 33,232 shares One Managing Executive Officer: 3,074 shares *Excluding Outside Directors.
(6) Other	Regarding the issuance of the new shares, the Company has submitted a securities notice under the Financial Instruments and Exchange Act.

### 2. Purpose and Reason for Issuance

The Board of Directors at its meeting held on May 18, 2020, resolved the Company's introduction of a new system of restricted shares compensation (hereinafter referred to as "the System") for Directors (excluding Outside Directors; the same shall apply hereinafter). The System aims to provide each Director with an incentive for continued improvements in the Company's corporate value and further proceed with the sharing of its value with all shareholders. In addition to the above, at the 118th Ordinary General Meeting of Shareholders on June 25, 2020, the Company received approval to the following matters:

1) Under the System, as in-kind contribution property related to the granting of restricted shares, a monetary remuneration receivable of not more than 100 million yen per year shall be paid to each Director separately from the existing monetary remuneration limit.

2) The transfer restriction period of the shares shall be from the day the allotted shares are granted to the day the Director resigns from his or her post or a position prescribed by the Board of Directors. (However, if he or she resigns or retires from the position within three months after the fiscal year in which the allotted shares are granted, this period shall end on a day separately determined by the Board of Directors and be within six months after the passing of the corresponding fiscal year.)

3) The transfer restrictions shall be lifted from under the following conditions:

(i) The Director remains in the post or position for a period prescribed by the Board of Directors.

(ii) The Director resigns or retires from the post or position during the period for a reason the Board of Directors justifies.

The outline of the System is as follows:

<Outline of the System>

Each Director shall make an in-kind contribution of all the monetary remuneration receivable to be granted according to the System and receive shares of the Company's common stock to be issued or disposed of by the Company.

The total number of shares of the common stock to be issued or disposed of for the Director shall not exceed 80 thousand per year. The amount to be paid per share shall be determined by a meeting of the Board of Directors based on the average of the closing prices of common stock of the Company on the Tokyo Stock Exchange for 30 business days immediately preceding the day of the resolution of the meeting of the Board of Directors, within a scope that would not be considered particularly advantageous to the Director receiving the allotment of the common stock.

Regarding the issuance or disposal of the common stock, the Company and each Director shall sign an agreement on the allotment of restricted shares, and the agreement shall include the provisions as summarized below.

- 1) The Director shall not transfer, set collateral rights, or otherwise dispose of the Company's common stock that has been allotted under the agreement on the allotment of restricted shares for a predetermined period.
- 2) In the event of certain circumstances, the Company shall acquire the shares of the common stock without charge.

The Company has also decided to apply the System to the Company's Managing Executive Officers. The Company aims to provide incentives for continued improvements in its medium- to long-term corporate value and shareholder value and to promote further value sharing with all shareholders.

Furthermore, at the Board of Directors held a meeting today and resolved the Company's issuance of a monetary compensation receivable of a total of 49,593,996 yen and eventually 36,306 common shares (hereinafter referred to as "the allotted shares") to five Directors and one Executive Managing Officer (hereinafter referred to as "Eligible Directors"), based on the System and with consideration of the performance of the Company, taking into consideration the range of responsibilities of Eligible Directors and various other circumstances.

<Outline of Agreement on the Allotment of Restricted Shares>

Following the issuance of the new shares, the Company and each Eligible Directors shall individually sign the agreement on the allotment of restricted shares, the outline of which is as follows:

(1) Transfer Restriction Period

None of the Eligible Directors (five Directors and one Executive Managing Officer) shall transfer, assign collateral rights, or otherwise dispose of the allotted shares from August 20, 2020 (the payment date) until the day he or she resigns.

(2) Conditions for Lifting Transfer Restrictions

The transfer restrictions on all the allocated shares of Eligible Directors shall be lifted upon the expiration of the transfer restriction period. The preceding, however, shall apply, provided that the Eligible Directors are in their Director or Managing Executive Officer's post during the period from the day of the Company's Ordinary General Meeting of Shareholders immediately before the payment date to the day of the Company's Ordinary General Meeting of Shareholders held in the following year (hereinafter referred to as "the service provision period"). However, the transfer restrictions shall be lifted if the Eligible Directors retires their Director or Managing Executive Officer's post due to his or her death or any other reason justified by the Board of Directors.

The preceding shall apply to the figure obtained by dividing the number of months counted from the month following the month that includes the start date of the service provision period to the month that includes the retirement date by 12 and multiplied by the number of the allotted shares. (However, a fraction of less than one share shall be rounded off.)

(3) The Company's Free Acquisition

Upon expiration of the transfer restriction period, the Company shall naturally acquire the allotted shares without charge for which the transfer restriction has not been released.

(4) Stock Management

The allotted shares will be managed in the exclusive account of the restricted shares opened by Daiwa Securities Co., Ltd. during the transfer restriction period to prevent the transfer, setting of security interests, and other types of disposal during the period.

(5) Handling in Case of Organizational Restructuring

A general meeting of shareholders held by the Company may approve a merger agreement in which the Company becomes an extinguished company, a share exchange agreement in which the Company becomes a wholly-owned subsidiary or a stock transfer plan, or other matters related to organizational restructuring. Otherwise, the Board of Directors may approve the same in the case where the approval by the general meeting of shareholders is not required).

Then the Board of Directors shall lift the transfer restrictions of the allotted shares during the transfer restriction period immediately before the business day before the effective date of organizational restructuring. The number of allotted shares applicable shall be equal to the number of months from the month following the month containing the start date of this service provision period to the month containing the approval date for organizational restructuring, etc., divided by 12 (however, a fraction of more than one share as a result of the calculation shall be rounded off) and multiplied by the number of allotted shares held at that time (a fraction of less than one share as a result of the calculation shall be rounded off)

3. Basis for Calculation of Payment and Specific Content

The new shares shall be issued in the form of monetary receivables paid as a contribution to the allottees under the System. The amount paid shall be the value without arbitrariness. Therefore, the amount shall be 1,366 yen as the average of the closing prices of common stock of the Company on the Tokyo Stock Exchange for 30 business days immediately preceding the day of the resolution of the meeting of the Board of Directors on July 20, 2020 (the resolution date of the Board of Directors). This is the average market price during a period close to the date of the Board of Directors' resolution. The Company considers that this is a reasonable value that appropriately reflects the corporate value of the Company and does not fall in a particularly favorable price for the Eligible Directors.

End.