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Company name: **C. Uyemura & Co., Ltd.**
Stock code: 4966
Listing: Second Section of the Tokyo Stock Exchange
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Notice Regarding Revision of the Officers' Compensation Scheme
(Adoption of a Restricted Stock Compensation Scheme and Termination of Officers' Retirement Benefit System)

C. Uyemura & Co., Ltd. (hereinafter "the Company") hereby announces the decision made at the meeting of its Board of Directors held today with respect to revisions of the Company's Officers' Compensation Scheme. As part of these revisions, the Company has determined to adopt a Restricted Stock Compensation Scheme (hereinafter the "Scheme") and to terminate its retirement benefit system for Officers and the making of final payments of retirement benefits. In accordance with these decisions, the Company plans to propose the adoption of the Scheme and the termination of the retirement benefit system and the final payments under such system to the 93rd Annual General Meeting of Shareholders, which will be held on June 29, 2021 (hereinafter the "Meeting").

1. Revisions of the Officers' Compensation Scheme

The maximum aggregate amount of remuneration for Directors of the Company is 450 million yen per year (including the aggregate amount for Outside Directors, which is limited to 10 million yen per year) as approved at the 90th Annual General Meeting of the Shareholders held on June 28, 2018; provided that this does not apply to the employee salary portion of Directors who serve concurrently as employees. The Company has determined to revise the Officers' Compensation Scheme and, subject to the shareholder approval at the Meeting, to (1) revise the maximum aggregate amount of remuneration for Directors to be up to 600 million yen per year (including up to 30 million yen for Outside Directors), also not applying to the employee salary portion of Directors who serve concurrently as employees, (2) adopt the Scheme by using restricted shares as a new remuneration system, and (3) terminate the retirement benefit system for Officers and make final payments upon resignation from office.

2. Adoption of the Scheme

(1) Purpose for Adoption of the Scheme, etc.

(i) Purpose for Adoption of the Scheme

The purpose of the Scheme is to provide the Company's Directors (excluding Outside Directors; hereinafter, "Eligible Directors") with incentives to work toward the sustainable enhancement of corporate value, and to further promote value sharing with the Company's shareholders.

(ii) Conditions of Adoption of the Scheme

Under the Scheme, the Company shall provide monetary compensation receivables to Eligible Directors as compensation for grants of restricted shares, so the adoption of the Scheme is conditional upon obtaining shareholder approval to provide such compensation at the Meeting.

At the Meeting, the Company plans to seek the approval of the Company's shareholders for the adoption of this new Scheme and the establishment of remuneration to be provided under this Scheme to Eligible Directors, separate from the remuneration described in 1. above.

(2) Overview of the Scheme

The total amount of monetary compensation receivables to be provided to Eligible Directors under the Scheme shall not exceed 30 million yen per year (however, this does not apply to the employee salary portion of such Eligible Directors who serve concurrently as employees), and the total number of the Company's common shares to be issued or disposed of under the Scheme shall not exceed 10,000 shares per year. (In the event of a split of the Company's common shares [including a gratis allotment of the Company's common shares] or a consolidation of shares, the total number of shares to be issued or disposed of under the Scheme will be adjusted proportionately, to a reasonable extent when needed, after the effective date.) The Company has resolved, at the meeting of the Board of Directors held today, a share split of common shares at the ratio of 1:2 with the effective date of July 1, 2021. After this effective date, the number of the Company's common shares to be issued or disposed of under the Scheme as restricted shares to the Eligible Directors is scheduled to be up to 20,000 shares per year.

Eligible Directors shall contribute all of the monetary compensation receivables provided to them under the Scheme in the form of property contributed in kind, and shall, in return, receive the Company's common shares to be issued or disposed of by the Company. The amount per share to be paid for the Company's common shares under the Scheme shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the day of each resolution of the Board of Directors (if no transaction has been made on that day, the closing price on the most recent previous trading day), to the extent that it is not particularly advantageous for Eligible Directors. The Board of Directors shall determine the specific timing and allocation of payments to each Eligible Director.

In addition, in connection with the issuance or disposal of the Company's common shares (hereinafter the "Shares") under the Scheme, the Company and Eligible Directors shall execute a restricted share subscription agreement which contains certain conditions including but not limited to the following: (1) Eligible Directors are prohibited from transferring, creating any security interest on, or otherwise disposing of the Shares to a third party for a certain period of time (hereinafter the "Transfer Restriction Period"); and (2) the Company has the right to acquire the Shares without payment of any consideration if certain events occur. The Shares will be managed in a dedicated account to be opened by each Eligible Director with Nomura Securities Co., Ltd. during the Transfer Restriction Period so that the Shares cannot be transferred, secured or otherwise disposed of during that period.

3. Termination of Officers' Retirement Benefit System

The Company will terminate its Officers' retirement benefits system as of the conclusion of the Meeting as part of the revisions of the Officers' Compensation Scheme. In accordance with this termination, the Company will make final retirement benefit payments to Directors and Auditors who serve on the day of the Meeting, up to an aggregate amount to be approved by the shareholders at the Meeting (proposed to be up to 255,664,500 yen), for their term of office prior to termination of the system. The Company plans to pay each Director and Auditor this retirement benefit at the time of their resignation.

As the Company has been preparing for the payment of future retirement benefit payments to the Officers by determining the amount that is expected to be paid for the end of each term based on designated rules, and including such amount in its liabilities as a provision for Officers' retirement benefits. Therefore, terminating the system will have a minimal effect on the Company's financial results.

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