



February 13th 2023

Company name: FINDEX Inc
Name of representative: Teruo Aibara, President & CEO
(Securities code: 3649; PRIME Market)
Inquiries: Atsushi Fujita, Director and Head of Administration
(Telephone: +81-89-947-3388)

Notice of Introduction of a Restricted Stock Compensation Plan

At the meeting of the Board of Directors held today, FINDEX Inc. (the “Company”) reviewed the compensation plan for Directors (excluding Auditors, Supervisory Committee Members and Outside Directors; hereinafter referred to as “Eligible Directors”) and introduce a restricted stock compensation plan (hereinafter referred to as the “Plan”) for directors and plans to submit a proposal to the 38th Ordinary General Meeting of Shareholders (hereinafter referred to as the “General Meeting of Shareholders”) scheduled to be held on March 28, 2023, seeking approval for the introduction of a monetary compensation equivalent to the consideration for the restricted stock allocated under the Plan.

1. Purpose of the introduction of the compensation plan

The Plan will be introduced to provide an incentive to the Eligible Directors to continuously strive to improve the Company’s corporate value and to further promote value sharing with shareholders by further strengthening the linkage between the compensation of eligible directors and the value of their stocks.

2. Summary of the Plan

(1) Payment of monetary compensation to Eligible Directors and contribution in kind

Under this plan, in principle, each fiscal year, based on a resolution of the Company's Board of Directors, monetary compensation are paid to Eligible Directors to allocate restricted stock compensation, and the Company issues or disposes of common stock of the Company by having them transfer all such monetary compensation to the Company as assets contributed in kind, which are then held by the Company. The amount of compensation for Directors of the Company (excluding directors who are members of the Audit and Supervisory Committee) was approved at the 31st Ordinary General Meeting of Shareholders held on March 29, 2016 as an annual amount not exceeding 150 million yen (not including employee salaries for directors who are also employees), and this plan is to provide compensation for the allocation of restricted stocks as a separate line from such compensation. The total amount of monetary compensation to be paid to the Eligible Directors under this plan shall not exceed 100 million yen per year. The specific timing and allocation of the payment to the Eligible Directors will be decided by the Board of Directors after deliberation by the Personnel and Compensation Committee.

(2) Type and total number of restricted stocks to be issued or disposed of to the Eligible Directors

The Restricted Stocks to be issued or disposed of to the Eligible Directors under the Plan shall be common stocks of the Company, and the total number of common stocks to be issued or disposed of within one year from the date of the General Meeting of Shareholders for each fiscal year shall not exceed 100,000 shares per year. However, if the Company conducts a stock split, reverse stock split or other action that affects the value per share of common stock with an effective date on or after the date of the resolution at this General Meeting of Shareholders, the total number of shares of common stock to be issued or disposed of under the Plan shall be reasonably adjusted, taking into account the split ratio, reverse stock split ratio and other factors.

(3) Paid-in amount for restricted stocks

The amount to be paid per share of common stock to be issued or disposed of to the Eligible Directors under this plan will be determined by the Board of Directors based on the closing price of the common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution to determine the subscription of such common stock (If no transaction is executed on the same day, the closing price of the most recent trading day prior to that day), to the extent that such amount is not particularly favorable to the Eligible Directors.

(4) Execution of restricted stock allotment agreement

Upon the issuance or disposal of common stock under the Plan, between the Company and the Eligible Directors shall enter into a Restricted Stock Allotment Agreement that includes the following details.

1. Eligible Director shall not transfer, grant a security interest in, make a living gift of, or otherwise dispose of the Shares of common stock issued or disposed of under the Plan for a certain period.
2. If certain events occur, the Company shall acquire all or a part of such common stock without compensation.
3. Details of conditions for cancellation of restrictions established in advance by the Board of Directors of the Company.

3. Conditions for the introduction of the Plan

Under the Plan, in order to provide the Eligible Directors with monetary compensation claims in an amount equivalent to the amount to be paid in for the common stock to be issued or disposed of as restricted stock compensation, a proposal necessary for the provision of such monetary compensation claims shall be submitted to this General Meeting of Shareholders, and the issuance or disposal of such common stock shall be subject to the approval of shareholders at this General Meeting of Shareholders .

4. Allocation to the Company's executive officers and directors of the Company's subsidiaries

Subject to the approval of the introduction of the Plan at this General Meeting of Shareholders, the Company plans to allot the same restricted stocks as under the Plan to the executive officers who do not concurrently serve as directors of the Company and the directors of the Company's subsidiaries.

Note: This report is a translation of the press release of the Company prepared in accordance with the provisions set forth in the Securities and Exchange Law and its related accounting regulations. The original version of this press release is written in Japanese. In the event of any discrepancies in words, accounts, figures or the like between this press release and the original, the original Japanese version shall govern.