

March 25, 2021

To All

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### **Notice of the Issuance of New Shares for Restricted Stock Compensation**

Frontier Management Inc. (hereafter the “Company”) hereby announced that the Company has resolved at the meeting of the Board of Directors held today, the issuance of new shares for restricted stock compensation (hereafter the “Issuance of New Shares”), as following;

#### 1. Summary

(1) Allotment Date	April 15, 2021
(2) Class and number of shares issued	19,998 shares of the Company’s common stock
(3) Issue price	JPY1,802 per share
(4) Total issue amount	JPY36,036,396
(5) Persons and number of persons eligible for share allocation, and number of shares to be allocated	3 Directors (excluding External Directors) of the Company      19,998 shares
(6) Other	The Securities Registration Statement regarding the Issuance of New Shares has been filed in accordance with the Financial Instruments and Exchange Act.

#### 2. Purpose

As stated in the “Notice Regarding Revision of Director Compensation Plan and Introduction of a Restricted Stock Compensation Plan” dated February 9, 2021, in order to increase the linkage between performance of the Company and compensation of Directors other than Outside Directors (“Eligible Directors”), and to make the compensation plan more conducive to the achievement of short-term performance targets, achievement of medium- to long-term performance targets, and the continuous enhancement of corporate value, the Company has decided to newly pay single-fiscal-year performance-based compensation that is linked to the level of achievement of a single-fiscal-year performance target (cash bonus and stockbased compensation A) and medium-to long-term performance-based compensation that is linked to the level of achievement of management targets for a medium-term management plan, the degree of enhancement of corporate value, and the like (stock-based compensation B). Both of the stock-based compensation A and stock-based compensation B will be paid in the form of restricted stock for the purpose of further promoting the sharing of value with shareholders as well as strengthening incentives with the aim of achieving management targets for the medium-term management plan and enhancing corporate value (“Plan”).

In addition, at the 14th Ordinary General Meeting of Shareholders held today, it was approved that the total amount of

shares of the Company's common stock issued or disposed of as the stock-based compensation A to be paid to the Eligible Directors under the Plan is not more than JPY100,000,000 per annum, that the total number thereof is not more than 40,000 shares per annum, that and the total amount of shares of the Company's common stock issued or disposed of as the stock-based compensation B is not more than JPY50,000,000 per annum, that the total number thereof is not more than 20,000 shares per annum, and that the shares of the Company's common stock are issued or disposed of without requiring payment of money or tender of property contributed in kind, and allow them to hold such shares. Based on voluntary deliberations and reports by the Compensation Advisory Committee, at the Board of Directors meeting held today, it was resolved to grant 19,998 shares of common stock, for a total amount of JPY36,036,396, to the three (3) Eligible Directors based on the the compensation base amount in accordance with their position as the stock remuneration B (medium-term performance-based) under the Plan.

In the event of issuing shares of the Company's common stock under the Plan, the Company and the Eligible Directors shall enter into a restricted stock allotment agreement. The outline of the agreement are as follows;

<Outline>

(1) Transfer restriction period

From April 15, 2021 (the payment date) to April 14, 2024

The Eligible Directors shall not transfer, create any security interest on, or otherwise dispose of the Allocated Shares during the transfer restriction period specified above (hereafter the "Transfer Restriction Period").

(2) Conditions for removing the transfer restriction

In principle, after the end of the period falling under the medium-term management plan, the number of shares with respect to which the Transfer Restriction is removed will be determined, regarding the shares granted during such period, in accordance with the level of achievement of the management targets for the medium-term management plan, the degree of enhancement of corporate value, and the like and the Transfer Restriction will be removed at the time of expiration of the Transfer Restriction Period. Provided, however, if, before the expiration of the Transfer Restriction Period, an Eligible Director retires due to expiration of term of office, death, or other justifiable reason, (i) where such retirement occurs during the period from the time of the grant of the shares to the time prior to the determination of the number of shares with respect to which the Transfer Restriction will be removed, the number of such shares with respect to which the Transfer Restriction will be removed and the timing of removal of the Transfer Restriction will be reasonably adjusted as necessary in accordance with the level of achievement of the management targets for the medium-term management plan and the degree of enhancement of corporate value as of that time, and the like, and (ii) where such retirement occurs during the period from the time of the determination of the number of shares with respect to which the Transfer Restriction will be removed to the time of the expiration of the Transfer Restriction Period, the timing of removal of the Transfer Restriction will be reasonably adjusted as necessary by a resolution of the Board of Directors in light of voluntary deliberations and reports by the Compensation Advisory Committee.

(3) Treatment upon reorganization

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a Reorganization Agreement is approved at a general meeting of shareholders of the Company (or at a meeting of the Board of Directors of the Company, if such Reorganization Agreement does not require the approval of a general meeting of shareholders of the Company), (i) where such approval is made during the period from the time of the grant of the shares to the time prior to the determination of the number of shares with respect to which the Transfer Restriction will be removed, the number of such shares with respect to which the Transfer Restriction will be removed and the timing of removal of the Transfer Restriction will be reasonably adjusted as necessary in accordance with the level of achievement of the management targets for the medium-term management plan and the degree of enhancement of corporate value as of that time, and the like, and (ii) where such approval is made during the period from the time of the determination of the number of shares with respect to which the Transfer Restriction will be removed to the time of the expiration of the Transfer Restriction Period, the timing of removal of the Transfer Restriction will be reasonably adjusted as necessary by a resolution of the Board of

Directors in light of voluntary deliberations and reports by the Compensation Advisory Committee.

(4) Events of acquisition without any consideration

The Company shall, at the time of the determination of the number of shares with respect to which the Transfer Restriction specified in (2) above is removed, automatically acquire without any consideration shares with respect to which the Transfer Restriction is decided not to be removed.

(5) Return of shares without any consideration

The Company will set out clawback provisions to the effect that if a certain event such as a material accounting fraud, huge amount of loss, or the like occurs, all or part of the stock-based compensation that have already been paid will be returned without any consideration in accordance with each Director's liability therefor.

(6) Management of Shares

The Eligible Directors shall open a dedicated account at Mizuho Securities Co., Ltd., in the manner designated by the Company, to state or record matters related to the Allocated Shares, which shall be kept and maintained in such account until such time that the transfer restriction is removed.

3. Basis of calculation of the payment amount and its details

The Issuance of New Shares is to issue shares related to such offering as remuneration to Directors under the Plan, and does not require payment of money or tender of property contributed in kind in exchange for the shares subscription. In order to eliminate any arbitrariness in the determination of the issue price, the issue price shall be JPY1,802, which is the closing price of the shares of common stock of the Company on the Tokyo Stock Exchange on March 24, 2021, which was the business day immediately preceding the date of the resolution of the Board of Directors.