



April 15, 2019

To whom it may concern:

Company Name	Ichikoh Industries, Ltd.
Representative	Heiko Sauer, Representative Director and President (Securities Code: 7244; TSE First Section)
Contact	Masaki Takamori, General Manager Corporate Planning Dept. (Tel. 0463-96-1442)

Notice Regarding Issuance of New Shares as Stock Compensation

Ichikoh Industries, Ltd. (the “**Company**”) resolved at its Board of Directors meeting held on April 15, 2019 to issue new shares (the “**New Share Issuance**”) as follows.

1. Outline of Issuance

(1) Payment date	May 14, 2019
(2) Class and number of shares to be issued	42,400 of common stock of the Company
(3) Issue price	675 yen per share
(4) Total issuance amount	28,620,000 yen
(5) Method of subscription /allocation	Allotment of special restricted stock /3 rd party allotment
(6) Method to pay in capital	In-kind contribution of all monetary compensation receivables
(7) Persons to whom the shares will be allotted	Eight Directors of the Company (including two Independent Outside Directors but excluding other Outside Directors) 26,900 shares Three Executive Officers (<i>shikkou yakuin</i>) 15,500 shares
(8) Others	Securities Notice under Financial Instruments and Exchange Act is issued

2. Purpose and Reason for Issuance

At the Board of Directors meeting held on May 24, 2016, the Company resolved to introduce a restricted stock compensation plan (the “**Plan**”) as a new compensation plan for the Directors and Executive Officers of the Company (collectively, the “**Officers**”) with the purpose of providing the Officers with incentives for the sustainable growth of corporate value and further advancing the sharing of value between the Officers and shareholders. Furthermore, at the 86th

Ordinary General Meeting of Shareholders held on June 29, 2016, it was approved by the shareholders that the maximum amount of monetary compensation receivables to be granted to the Directors under the Plan for the granting of restricted shares will be 76 million yen per year (of which, 1 million yen is for Outside Directors; this amount does not include the portion of employee's salary for Directors who concurrently serve as employees) and that the transfer restriction period of the restricted shares will be one to five years based on a decision by the Board of Directors of the Company.

The outline of the Plan is as follows.

【Outline of the Plan】

The Plan will be introduced as a compensation plan that grants the Officers of the Company restricted shares with the purpose of providing the Officers with incentives for the sustainable growth of corporate value and further advancing the sharing of value between the Officers and shareholders.

Each Officer will make an in-kind contribution of all monetary compensation receivables provided to that Officer under the Plan and will receive shares of the Company's common stock that will be newly issued or disposed of by the Company. The maximum amount of monetary compensation receivables to be granted to the Directors under the Plan will be 76 million yen per year (of which, 1 million yen is for Outside Directors; this amount does not include the portion of employee's salary for Directors who concurrently serve as employees). The specific amount and timing of grant to Officers will be determined by the Board of Directors. In addition, the total number of shares to be newly issued to the Directors or disposed of by the Company under the Plan each year will be a maximum of 380,000 shares, and the purchase price per share will be determined by the Board of Directors so that no particular advantage is afforded to the Officers subscribing for the shares of the Company's common stock allotted under this Plan; the basis of that price will be the closing price of shares of the Company's common stock on the Tokyo Stock Exchange as of the business day immediately preceding the date of each Board of Directors resolution (or, if no shares of the Company's common stock were traded on that day, the closing price on the last day on which a transaction occurred before the Board of Directors resolution).

In addition, when shares of the Company's common stocks are newly issued or disposed of, the Company and each Officer will enter into a restricted stock allotment agreement, the provisions of which will include, among other provisions, (i) that the transfer, creation of a security interest, or any other means of disposal of the shares by the Officer to a third party will be prohibited for a certain period and (ii) that the Company will acquire the shares at no cost if certain events occur.

In the New Share Issuance, taking into account the standard level of management compensation in the automotive parts industry, to which the Company belongs, and stock price raise from the time when the resolution of the issuance of new shares as the compensation by restricted stock last year to date, and with an aim to motivate each individual, the Company decided to grant a total amount of 28,620,000 yen as monetary compensation receivables (of which, 18,157,500 yen in total will be granted to eight Directors, and 10,462,500 yen in total will be granted to three Executive Officers of the Company; the "**Monetary Compensation Receivables**"). In addition, this Plan is introduced as an incentive for mid to long term improvement of corporate value in multiple years and, and same as last year, the transfer restriction period has been set at five years.

Under the New Share Issuance, eight Directors and three Executive Officers who are eligible for allotment of the restricted shares (collectively, "**Eligible Officers**") will, in accordance with the Plan, make an in-kind contribution of all Monetary Compensation Receivables from the Company, and shares of the Company's common stock will be issued to the Eligible Officers.

【Outline of the Stock Allotment Agreement】

The Company and each Eligible Officer will enter into a restricted stock allotment agreement (the “**Allotment Agreement**”). An outline of each restricted stock allotment agreement is set out below.

(1) Transfer restriction period

From May 14, 2019 to May 13, 2024

(2) Conditions for removal of transfer restriction

- (i) If the transfer restriction period expires while the Eligible Officer remains in office, or an Eligible Officer retires at the expiration of his or her term of office (except for the case in (ii) below)

The Company will remove the transfer restriction on all shares of the Company’s common stock allotted in accordance with the Allotment Agreement (the “**Allotted Shares**”) at the expiration of the transfer restriction period.

- (ii) If an Eligible Officer retires at the expiration of his or her term of office before the expiration of the transfer restriction period

The Company will remove the transfer restriction on the shares of the Allotted Shares at the following time in the number of the Allotted Shares calculated in the following matter (the number of less than 1 share shall be rounded up).

(a) If an Eligible Officer retires at the time of the closing of the 90th business year, the number of Allotted Shares divided by 5 on May 13, 2020.

(b) If an Eligible Officer retires at the time of the closing of the 91th business year, the number of Allotted Shares divided by 5 and multiplied by 2 on May 13, 2021.

(c) If an Eligible Officer retires at the time of the closing of the 92th business year, the number of Allotted Shares divided by 5 and multiplied by 3 on May 13, 2022.

(d) If an Eligible Officer retires at the time of the closing of the 93th business year, the number of Allotted Shares divided by 5 and multiplied by 4 on May 13, 2023.

- (iii) If an Eligible Officer retires due to death or any justifiable reason other than expiration of his or her term of office

The Company will remove the transfer restriction on the number of the Allotted Shares multiplied by the number of month from the month which includes the Payment date to the month which include the date of retirement divided by 60 (the number of less than 1 share shall be rounded up).

(3) Company’s acquisition of shares at no cost

The Company will automatically acquire at no cost all of the Allotted Shares for which the transfer restriction is not removed upon expiration of the transfer restriction period or upon the removal of the transfer restriction based on (2) above.

(4) Administrative management of shares

During the transfer restriction period, the Allotted Shares will be managed in a dedicated account held by each Eligible Officer at Nomura Securities Co., Ltd. so that the Eligible Officer will not be able to transfer or create a security interest on the Allotted Shares or dispose of the Allotted Shares in any other way.

In addition, the Company and each Eligible Officer entered into an agreement with Nomura Securities Co., Ltd. in relation to management of the account for the Allotted Shares held by the Eligible Officer in order to ensure the effectiveness of the transfer restriction on the Allotted Shares. Also, Eligible Officer shall agree to the conditions of such agreement in relation to management of account

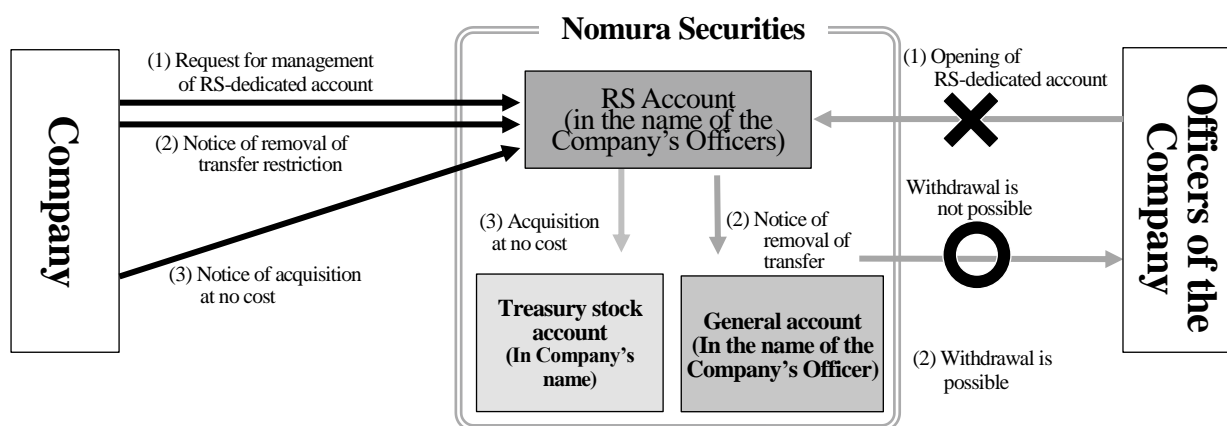
(5) Treatment upon organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement in which the Company is the absorbed company, a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary, or other organizational restructuring is approved by the Shareholders Meeting of the Company (however, if the approval of the Shareholders Meeting of the Company is not required, then by the Board of Directors of the Company), the Company will, by resolution of the Board of Directors, remove the transfer restriction on the number of Allotted Shares (rounded down to the nearest whole share) obtained by multiplying the number of Allotted shares held by the Individual on the day of that approval by the number of months from the month including the payment date to the month including the approval date of organizational restructuring divided by 60 immediately before the business day immediately preceding the effective date of such organizational restructuring.

3. Grounds for Calculation of the Amount to be Paid In and Other Specific Details

The New Share Issuance to the prospective allottees will be made by way of in-kind contribution of the monetary compensation receivables granted as the restricted stock compensation under the Plan for the Company's 89th business year. To avoid arbitrary decision-making in determining the issue price, the Company decided on an issue price of 675 yen, which is the closing price for the shares of the Company's common stock on the first section of the Tokyo Stock Exchange as of April 12, 2019 (which was the business day immediately preceding the date of the Board of Directors meeting at which the New Share Issuance was resolved). The issue price represents the market price immediately before the date of the Board of Directors meeting at which the New Share Issuance was resolved, and the Company believes it to be reasonable and that it is not a price that affords any particular advantage.

Reference: Managerial flow of restricted stocks ("RS") in a restricted stock plan



End.