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To all persons concerned

Company: Amano Corporation
 Representative: President & Representative Director
 Izumi NAKAJIMA
 (Code 6436: the first section of TSE)
 Contact: Operating Officer
 General Manager Corporate Planning
 Kunihiro IHARA
 (TEL: 81-45-439-1591)

Notice: Regarding Introduction of Performance-Based Stock Remuneration Plan for Executives

Amano Corporation (“**Company**”) hereby announces that, at the Board of Directors meeting held on April 25, 2016, a revision of the remuneration plan for executives was proposed and a resolution was passed to introduce a new stock remuneration plan (“**Plan**”) that is linked to the new Medium-Term Business Plan period scheduled to start in April 2017 for directors of the Company (excluding outside directors and overseas residents) and operating officers of the Company who have entered into an engagement agreement with the Company (excluding overseas residents; hereinafter these directors and operating officers are collectively referred to as “**Directors, etc.**”).

At the same time, at the Board of Directors meeting of each of three subsidiaries of the Company (Amano Management Service Corporation, Amano Maintenance Engineering Corporation, and Amano Agency Corporation; hereinafter these subsidiaries are referred to as “**Participating Subsidiaries**” and the Company and the Participating Subsidiaries are collectively referred to as “**Participating Companies**”) held on April 25, 2016, a resolution was passed also to introduce the Plan for directors of the Participating Subsidiaries (excluding outside directors and overseas residents; hereafter these directors are referred to as “**Directors of Participating Companies**” and the Directors of Participating Companies and the Directors, etc. of the Company are collectively referred to as “**Participating Directors, etc.**”).

Consequently, a proposal to introduce the Plan will be submitted to the 100th Annual General Meeting of Shareholders of the Company scheduled for June 29, 2016 and to an extraordinary general meeting of shareholders of each of the Participating Subsidiaries scheduled for June 2016 (hereinafter these general meetings of shareholders of the Company and the Participating Subsidiaries are collectively referred to as “**General Meeting of Shareholders**”).

Description

1. Introduction of the Plan

- (1) The Company and the Participating Subsidiaries will introduce the Plan for Participating Directors, etc. for the purpose of further clarifying the linkage between the remuneration of Participating Directors, etc. and the business performance and the shareholder value of the Group and raising the incentive to contribute to the improvement of medium- to long-term business performance and the enhancement of enterprise value. (*)
- (2) The introduction of the Plan is subject to the approval of the General Meeting of Shareholders at each

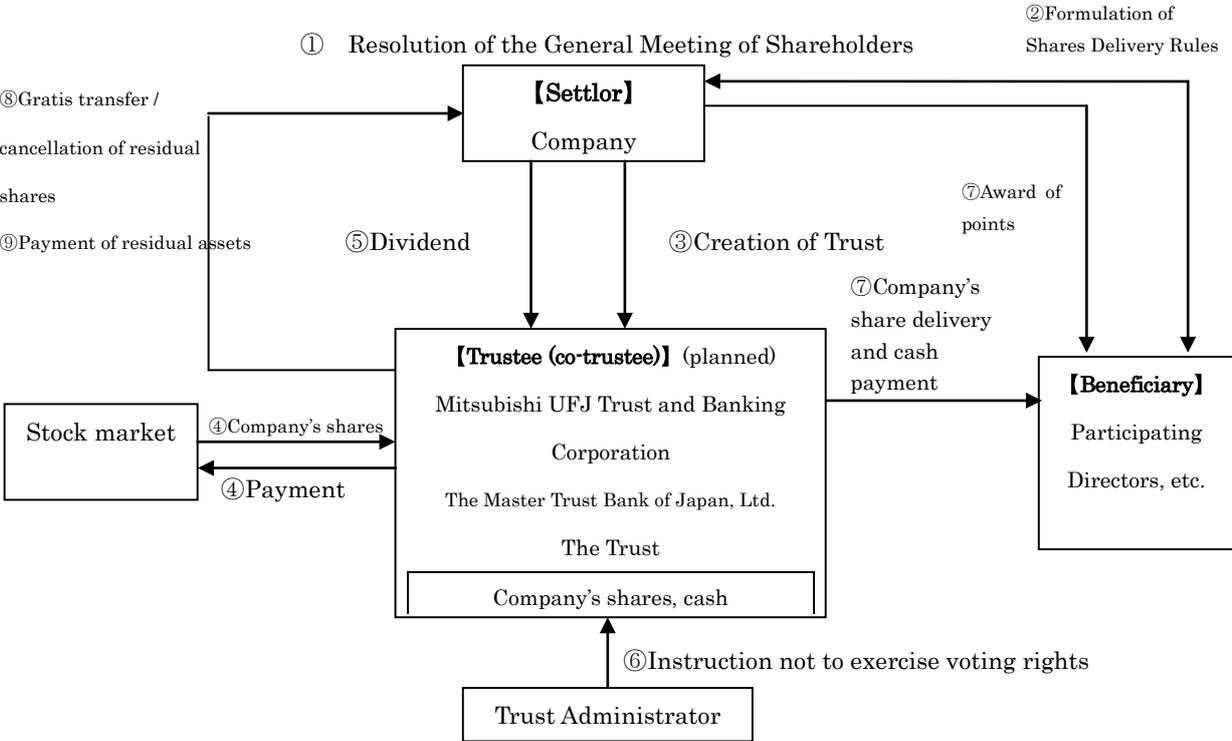
Participating Company concerning the executives' remuneration resolution of the Board of Directors mentioned above.

(3) The Plan will adopt a mechanism called BIP (Board Incentive Plan) Trust (“**BIP Trust**”). The BIP Trust is a stock incentive plan referenced to the Performance Share plan and the Restricted Stock plan in the U.S., wherein Company shares acquired by the BIP Trust and the cash equivalent to the value of Company shares (collectively “**Company’s Shares, etc.**”) are delivered and provided (“**Delivery, etc.**”) based on the degree of accomplishment of business performance, etc.

(4) The Company plans to implement the Plan continuously, at the expiration of the trust period of the BIP Trust created for the implementation of the Plan (“**Trust**”), by creating a new Trust, or by way of the modification of the old Trust whose trust period has expired and additional entrustment.

(* After the introduction of the Plan, the remuneration of directors of the Company will consist of “base salary,” “bonus,” and “stock remuneration.” However, the remuneration of outside directors, who are independent of the Company’s business executions, consists of “base salary” and “bonus.”

2. Plan summary



- ①The General Meeting of Shareholders of each Participating Company will pass a resolution approving the introduction of the Plan.
- ②The Board of Directors of each Participating Company will establish Share Delivery Rules concerning the specific implementation of the Plan.
- ③Each Participating Subsidiary will contribute to the Company money to fund remuneration to the relevant Directors of Participating Subsidiary within the limit approved by the resolution of the relevant General Meeting of Shareholders referred to in ① above. The Company will create the Trust, the beneficiaries of which are Participating Directors, etc. satisfying beneficiary requirements, by entrusting money to fund

remuneration to the Directors, etc. of the Company within the limit approved by the resolution of the General Meeting of Shareholders of the Company referred to in ① above together with the money contributed by Participating Subsidiaries.

- ④ The Trust will, in accordance with instructions from the trust administrator, use the entrusted money (as described in ③) to acquire Company shares from the stock market. The number of shares to be acquired by the Trust shall be within the limit approved by the resolution of the General Meeting of Shareholders referred to in ① above. Company's shares held in the Trust are managed in separate accounts for each Participating Company based on the amount of money contributed by each Participating Company.
- ⑤ Dividends of Company's shares in the Trust will be distributed as well as other Company's shares.
- ⑥ The voting rights of Company's shares in the Trust will not be exercised during the trust period.
- ⑦ Each year during the trust period, certain points will be awarded to Participating Directors, etc. based on (1) the percentage achievement relative to the forecast of consolidated operating profit disclosed by the Company in its Summary Financial Statement at the beginning of each fiscal year ("**Consolidated Operating Profit Achievement Ratio**"), (2), consolidated operating profit ratio, (3) ROE, and (4) position in each Participating Company. Participating Directors, etc. satisfying certain beneficiary requirements are entitled to the Delivery, etc. of Company's Shares, etc. based on their Cumulative Points (defined in (5) below) when they resign from office. (In cases where such Participating Directors, etc. concurrently hold a position of director of another Participating Company (including cases where said Participating Directors, etc., upon resignation, assume the office of Director, etc. of another Participating Company), they are entitled to the Delivery, etc. of Shares, etc. all together at the same time when they have resigned from the office of Participating Directors, etc. of all such Participating Companies).
- ⑧ In cases where there are residual shares at the expiration of the trust period due to, for example, underachievement of performance targets, the Trust will either continue to be used as a new share remuneration plan by way of the modification of the trust agreement and additional entrustment, or a gratis transfer of these residual shares will be made from the Trust to the Company and the Company will, upon acquiring them, cancel them by a resolution of the Board of Directors.
- ⑨ Any residual assets after distribution to beneficiaries at the end of the Trust will belong to the Company, which are calculated by deducting the cost for acquiring the shares from the Trust from trust money.

(Note) In cases where there are no Company's shares remaining in the Trust due to Delivery, etc. to Participating Directors, etc. satisfying the beneficiary requirements, the Trust will be terminated before the expiration of the trust period. Each Participating Company may entrust additional money to the Trust (in the case of a Participating Subsidiary, through the Company) to fund the acquisition of Company's shares within the limit approved by the resolution of the relevant General Meeting of Shareholders.

(1) Plan summary

The Plan covers the three years from the fiscal year ending March 31, 2018 to the fiscal year ending March 31, 2020 ("**Plan Period**") and entitles Participating Directors, etc. to the Delivery, etc. of Company's Shares, etc. as remuneration for executives based on the degree of achievement of business performance of the Company for each fiscal year and the his or her position.

(*) In cases where the trust period is extended at the expiration thereof by way of the modification of the trust agreement and additional entrustment (prescribed in (4) below), each subsequent period of three

fiscal years will be the Plan Period.

(2) Plan introduction procedure

Each Participating Company, at its General Meeting of Shareholders, will pass a resolution determining the upper limit of the amount of trust money to be contributed to the Trust and the upper limit of points that can be awarded to relevant Participating Directors, etc. in one year (“**Annual Points**”; defined in (6) below), and any other necessary matters.

In cases where the trust period is extended at the expiration thereof by way of the modification of the trust agreement and additional entrustment (prescribed in second paragraph of (4) below), each Participating Company will, at its Board of Directors meeting, pass a resolution to make such a decision within the limit approved by the relevant General Meeting of Shareholders.

(3) Plan eligibility (beneficiary requirements)

Subject to the fulfillment of the following beneficiary requirements, after completing the prescribed beneficiary defined procedure, each Participating Director, etc. will upon resignation be entitled to receive the delivery of Company shares (any shares falling short of one share unit will be rounded down) in the number corresponding to 70% of his or her Cumulative Points (defined in (5) below), and the provision of cash equivalent to the value of the remaining Company shares based on conversion within the Trust.

Beneficiary requirements are as follows:

- ① Participating Directors, etc. shall have been incumbent during the Plan Period (including persons who became an Participating Director, etc. during the Plan Period).
- ② Participating Directors, etc. shall have resigned from the office of all Participating Directors, etc. (Resignation for this purpose shall include cases where a beneficiary is no longer an Participating Director, etc. due to overseas assignment; the same shall apply hereinafter).(*)
- ③ Participating Directors, etc. shall not have resigned due to disciplinary termination or similar dispositions or committed certain illegal acts.
- ④ Cumulative Points (defined in (5) below) shall be determined.
- ⑤ Other requirements deemed necessary to attain the aim of the stock remuneration plan.

* In cases where the trust period has been extended as prescribed in the fourth paragraph of (4) below and a person covered by the Plan is still an incumbent Participating Director, etc. as of the expiration of the extended period, the Trust is terminated on the expiration date and the covered person will be entitled to the Delivery, etc. of Company’s Shares, etc. while he or she is an incumbent Participating Director, etc.

* In the event where a Participating Director, etc. passes away during the trust period, all Company’s shares corresponding to his or her Cumulative Points as of the date of his or her death will be converted within the Trust and his or her heir will receive the cash equivalent to the value promptly after the death of said Participating Director, etc.

(4) Trust Period

The trust period will be approximately three years from August 2, 2017 (planned) to August 31, 2020 (planned).

The trust period of the Trust may be extended at its expiration for the same period as the initial trust period (three years) by way of the modification of the trust agreement and additional entrustment. For each extended trust period, Participating Subsidiaries will contribute to the Company money to fund

remuneration to the Directors of Participating Companies within the limit of trust money amount approved by the resolution of their respective General Meeting of Shareholders. The Company will entrust money to fund remuneration to the Directors, etc. of the Company within the limit approved by the resolution of the General Meeting of Shareholders of the Company together with the money contributed by Participating Subsidiaries and continue to award points to Participating Directors, etc., during the extended trust period.

However, in the case of said additional contribution, if there are remaining Company's shares (excluding those that correspond to the points that have already been awarded to Participating Directors, etc., but have not yet been delivered to them) and money in the trust assets ("**Residual Shares, etc.**") as of the last day of the trust period before the extension, the total amount of the Residual Shares, etc. and the additional trust money entrusted shall not exceed the limit of the trust money amount approved by the General Meeting of Shareholders of each Participating Company for each relevant account corresponding to each Participating Company.

If the modification of the trust agreement and additional entrustment is not carried out at the expiration of the trust period, no additional points will be awarded to Participating Directors, etc. thereafter. However, in cases where there are incumbent Participating Directors, etc. who may satisfy the beneficiary requirements as of that time, the trust period of the Trust may be extended for maximum of 10 years, until said Participating Directors, etc. resign from office and the delivery of Company's shares is completed.

(5) Number of shares delivered to Participating Directors, etc.

On June 1 each year during the trust period, certain points are awarded to Participating Directors, etc. based on the Consolidated Operating Profit Achievement Ratio, consolidated operating Profit ratio, ROE, and the position for the fiscal year ending March 31 of the same year ("**Fiscal Years Subject to Evaluation**"; the first Fiscal Year Subject to Evaluation will be the fiscal year ending March 31, 2018).^{*1} Participating Directors, etc. will upon resignation be entitled to the Delivery, etc. of Company's Shares, etc. based on their cumulative points ("**Cumulative Points**").

In cases where said Participating Directors, etc. concurrently hold a position of Participating Director, etc. of another Participating Company (including cases where said Participating Directors, etc., upon resignation, assume the office of Director, etc. of another Participating Company), they are entitled to the Delivery, etc. of Company's Shares, etc. all together at the same time when they have resigned from the office of Participating Directors, etc. of all such Participating Companies.

One point corresponds to one Company share. However, in cases where an event that warrants an adjustment to points such as a stock split or reverse stock split of Company's shares has occurred during the trust period, the number of Company's shares per point will be adjusted based on the split ratio, reverse split ratio, etc., as applicable.

^{*1} Award points = Rank-specific basic points × Performance-based coefficient^{*2}

^{*2} Performance-based coefficient will be determined based on the Consolidated Operating Profit Achievement Ratio, consolidated operating profit ratio, and ROE.

(6) Upper limit of trust money to be contributed to the Trust and upper limit of Annual Award Points

The upper limit of the amount of trust money to be contributed by the Company to the Trust during the trust period shall be 405 million yen (*).

The upper limit of the amount of trust money to be contributed by the Participating Subsidiaries to the Trust during the trust period shall be 45 million yen (450 million yen in total for both the Company and the

Participating Subsidiaries) (*).

(*) The upper limit of trust money has been calculated by adding trust expenses to the cost for acquiring shares in consideration of the current level of remuneration to Participating Directors, etc.

The upper limit of the total Annual Points to be awarded to all Directors, etc. of the Company and the upper limit of the total Annual Points to be awarded to all Participating Directors of Participating Subsidiaries to be proposed to their respective General Meeting of Shareholders for its approval are 80,000 points and 8,000 points, respectively. The total number of shares acquired by the Trust during the Plan Period (“**Acquired Shares**”) shall limited to the total of said upper limits of Annual Points multiplied by the number of years within the trust period (3) (264,000 shares).

(7) Method of acquiring Company’s shares by the Trust

The Trust will initially acquire Company’s shares in the stock market within the upper limit of the amount of trust money and the upper limit of the Acquired Shares prescribed in (6) above.

In cases where the number of shares within the Trust may fall short of the number of shares corresponding to the Cumulative Points vested to Participating Directors, etc. or where money within the trust assets may be insufficient for the payment of trust expenses, during the trust period, Participating Companies may entrust additional money to the Trust within the upper limit of the cost for acquiring the shares and the upper limit of the Acquired Shares of each Participating Company prescribed in (6) above and the additional Company shares may be acquired by the Trust.

(8) Method and timing of Delivery, etc. of Shares, etc. to Participating Directors, etc.

By completing the prescribed procedure for defining beneficiaries, each Participating Director, etc. satisfying the beneficiary requirements listed in (3) above will upon resignation be entitled to receive from the Trust, the delivery of Company’s shares (any shares falling short of one share unit will be rounded down) in the number corresponding to 70% of his or her Cumulative Points as of the day on which he or she has resigned from the office of Participating Director, etc. of all Participating Companies, and the provision of cash equivalent to the value of the remaining Company shares based on conversion within the Trust.

In cases where said Participating Directors, etc. concurrently hold a position of Participating Director, etc. of another Participating Company (including cases where said Participating Directors, etc., upon resignation, assume the office of Director, etc. of another Participating Company), they are entitled to the Delivery, etc. of Company’s Shares, etc. all together at the same time when they have resigned from the office of Participating Directors, etc. of all such Participating Companies.

(9) Exercise of voting rights of Company shares in the Trust

The voting rights of Company’s shares held by the Trust will not be exercised during the trust period to ensure the neutrality to the management of the Participating Company.

(10) Treatment of dividend related to the Company Shares held in the Trust

Dividends from shares of the Company held in the Trust will be received by the Trust and used to pay the expenses of the Trust If, there are residue dividends after paying the Trust expenses at the termination of the Trust, such dividends shall be distributed to those Participating Directors, etc. who have become

beneficiaries of the Trust in accordance with the provisions of the trust agreement by satisfying the prescribed beneficiary requirements at the termination of the Trust.

(11) Treatment at the termination of the Trust

In cases where there are residual shares at the termination of the Trust (in the case of an extension of the trust period prescribed in the fourth paragraph of (4) above, at the expiration of the extended period) due to, for example, underachievement of performance targets, gratis transfer of these residual shares will be made from the Trust to the Company, and the Company will cancel them by a resolution of the Board of Directors.

(For reference) Contents of the Trust contract

- ① Trust type: An individually operated designated trust of cash other than cash trust (third party benefit trust)
- ② Trust purpose: To grant incentive to Participating Directors, etc.
- ③ Settlor: Company
- ④ Trustee: Mitsubishi UFJ Trust and Banking Corporation (planned)
(Co-trustee: The Master Trust Bank of Japan, Ltd. (planned))
- ⑤ Beneficiaries: Resigning Participating Directors, etc. satisfying the beneficiary requirements
- ⑥ Trust Administrator: A third-party specialist who does not have any interest in the Participating Companies
- ⑦ Trust contract date: August 2, 2017 (planned)
- ⑧ Trust period: From August 2, 2017 (planned) to August 31, 2020 (planned)
- ⑨ Start of plan: September 1, 2017 (planned)
- ⑩ Exercise of voting rights: Not exercised
- ⑪ Type of acquired shares: Company's ordinary shares
- ⑫ Upper Limit of Trust Money: 450 million yen (planned) (including trust fees and costs)
- ⑬ Period of acquiring shares: From August 3, 2017 (planned) to October 31, 2017 (planned)
(excluding the last five business days of each accounting period (including interim and quarterly accounting periods))
- ⑭ Method of acquiring shares: To be acquired from the stock market
- ⑮ Holder of a vested right: The Company
- ⑯ Residual assets: Residual assets that can be received by the Company, which is a holder of a vested right, shall be within the limit of the trust expense reserve, which is calculated by deducting the cost for acquiring the shares from the Trust from Trust money.

Trust/share related back office

- ① Trust clerical work: Mitsubishi UFJ Trust and Banking Corporation and the Master Trust Bank of Japan Ltd. will be the trustee of the BIP Trust and engage in affairs related to the Trust.
- ② Stock clerical work: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will engage in affairs related to delivering Company's shares to beneficiaries based on the

agreement of entrustment of affairs.