

April 25, 2016

To all persons concerned

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## **Notice on the Introduction of the Employee Stock Ownership Plan (J-ESOP) at Amano**

The Board of Directors of Amano Corporation approved a resolution at the meeting held on April 25, 2016 to introduce an Employee Stock Ownership Plan (J-ESOP; hereinafter called the "Plan") for the purpose of defining more clearly the interrelationship among employee compensation, business performance and shareholder value and hence to foster improvement in medium- to long-term business performance and greater awareness toward employee contribution to increasing corporate value.

### 1. Background

The Company had conducted review of employee stock ownership plans, which are widening in acceptance in Japan as employee incentives, from the perspectives of building employee loyalty and boosting motivation toward increasing stock value. The Company has decided to introduce the Plan as a scheme for employee compensation in the form of Company stocks in order to reflect stock value in compensation.

### 2. Overview of the Plan

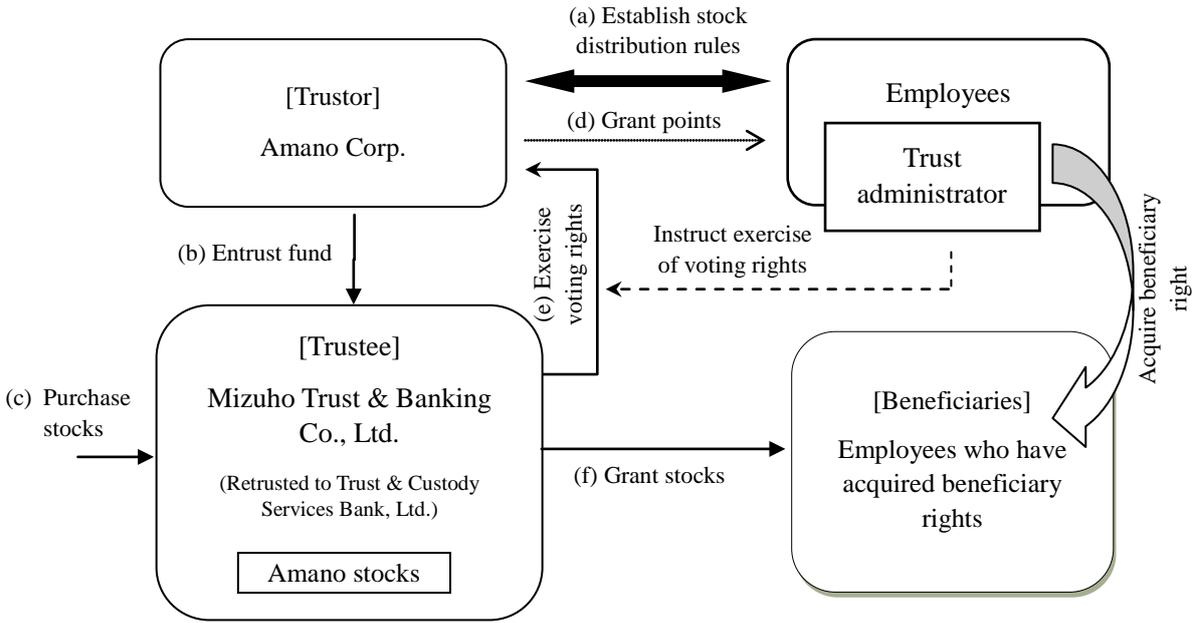
This Plan allows employees of Amano Corporation who meet certain criteria to receive the Company's stocks in accordance with the stock distribution rules pre-established by the Company .

Employees will be granted points that reflect their respective job rank, job performance, etc., and, when acquiring beneficiary right upon severance, will receive Company stocks that correspond to the points received. Stocks to be distributed to employees, including stocks to be granted in the future, will be purchased with funds placed in trust in advance and managed separately as trust assets.

The introduction of the Plan is expected to raise employee interest in Company stock value and business performance and motivate them further in their business activities.

Further details regarding the date of trust establishment, trust value, etc., under the Plan will be announced as soon as they are finalized.

Structure of the Plan



- (a) In order to enact the Plan, the Company establishes its stock distribution rules.
- (b) In order to purchase stocks in advance for future distribution to employees in accordance with the aforementioned rules, the Company places funds in trust (third-party beneficiary trust) with Mizuho Trust & Banking (retrusted to Trust and Custody Services Bank; hereinafter referred to as the "Trust Bank").
- (c) The Trust Bank purchases Company stocks with the entrusted funds.
- (d) The Company grants points to each employee in accordance with the stock distribution rules.
- (e) The Trust Bank exercises voting rights under instructions received from the trust administrator.
- (f) After acquiring beneficiary rights, the employee receives Company stocks that correspond to his or her accumulated points from the Trust Bank.