

Notice of acquiring shares for Stock-based Incentive System

May 2, 2018
MODEC, Inc.

The Board of Directors of MODEC, Inc. (“the Company”) decided to revise the system for remuneration of the Company’s Directors (excluding Outside Directors, the same applying hereinafter) by introducing a new stock-based incentive system using a trust (“the System”) on February 6, 2018. The adoption of the System was approved at the 32nd Ordinary General Meeting of Shareholders on March 23, 2018,

The Board of Directors of the Company today resolved the matters of acquiring shares of the Company for the System.

1. Overview of the trust

i.	Name	Trust for Granting Shares to Directors
ii.	Assignor	MODEC, Inc.
iii.	Trustee	Trustee: Sumitomo Mitsui Trust Bank, Ltd. (Re-trustee: Japan Trustee Services Bank, Ltd.)
iv.	Beneficiaries	Directors who satisfy beneficiary requirements
v.	Trust administrator	Third party having no conflict of interest with the Company and the Company’s Directors
vi.	Voting rights	Voting rights associated with the shares of the Company held in the Trust shall not be exercised.
vii.	Type of trust	Trust of money other than money trust (third-party-benefit trust)
viii.	Date of trust agreement	May 14, 2018 (planned)
ix.	Date on which money will be entrusted	May 14, 2018 (planned)
x.	Date of trust termination	June 30, 2023 (planned)

2. Matters for acquiring shares of the Company by the trustee

i.	Type of stock	Common stock of the Company
ii.	Amount of funds held in the Trust	JPY 97,000,000
iii.	Acquisition of shares of the Company	Purchase from the stock market
iv.	Period for acquisition	May 14, 2018 to May 22, 2018 (planned)