

Directors' Retirement Benefits System and Final Payment

Tokyo, October 13, 2016—IDOM Inc. announced a resolution by a meeting of its Board of Directors on October 13, 2018 to abolish the directors' retirement benefits system. Details are as follows.

1. Reason for the Abolition of the System

The Company reviewed its executive compensation system and decided to abolish the directors' retirement benefits system, which is heavily weighted towards payment of compensation after service.

2. Date of the Abolition of the System

The system is to be abolished effective from the end of the 23rd Ordinary Shareholders' Meeting of the Company to be held at the end of May 2017.

3. Final Payment Associated with the Abolition of the System

Following the abolition of the system, the Company seeks to make a final payment of retirement benefits for the period of service up until the abolition of the system to currently serving directors and Audit & Supervisory Board members. This payment will be proposed at the 23rd Ordinary Shareholders' Meeting of the Company to be held at the end of May 2017. Furthermore, the payment timing is to be at the time of retirement of each director and Audit & Supervisory Board member.

4. Impact on Operating Results

The impact on operating results due to the abolition of this system is expected to be negligible because the required payment amount for the end of the period has been recorded as provision for directors' retirement benefits based on the existing standard in preparation for the payment of the benefits.