



May 9, 2016

Press Release

Company Name: WirelessGate, Inc.
(Code 9419: TSE First Section)
Location: 5F Tennozu Yusen Bldg., 2-2-20
Higashi Shinagawa, Shinagawa-ku, Tokyo
Representative: Takehiro Ikeda
Founder and CEO
Inquiries: Naoki Sunaga
CIRO and Member of the Board,
Corporate Officer
Head of Investor Relations Department
Phone: 03-6433-2045

Notice of Determination of Specifics of Performance-Based Stock Compensation Scheme for Company's Directors

WirelessGate announces that the specifics of the performance-based stock compensation program for the Company's directors (other than the directors who serve as audit and supervisory committee members and the outside directors; the same shall apply hereinafter) (such program shall be hereinafter referred to as the "System") whose adoption was resolved at the meeting of its Board of Directors held on February 12, 2016 and approved at the 12th Annual Shareholders Meeting held on March 25, 2016 were determined at the meeting of the Board of Directors held today, as follows.

1. Objectives behind adopting the System

All listed companies are to adopt a corporate governance code, and WirelessGate announced the notice of the establishment of the WirelessGate Corporate Governance Basic Policy released today by taking heed of this intention to the maximum extent possible.

Under these conditions, the Company adopted the System and determined the specifics thereof with the purpose of raising awareness toward contributing to the enhancement of corporate value and improving earnings over the medium to long term. This is to be done by not only allowing the Directors to receive the benefits of a rise in share prices – by clarifying the link between the Company's earnings as well as share value and Director compensation – but also by shouldering the risk of stock price declines, thereby sharing the profits and risks of share price fluctuations with shareholders. This is a result of the Company's considering how management compensation – in the context of a corporate governance code – should function as a sound incentive toward sustainable growth.

This was considered based on the basic principle of how the Company should appropriately establish a percentage for remuneration that is linked to medium- to long-term business performance, cash compensation or compensation in the form of treasury stock so that management compensation functions as one of the sound incentives toward sustainable growth.

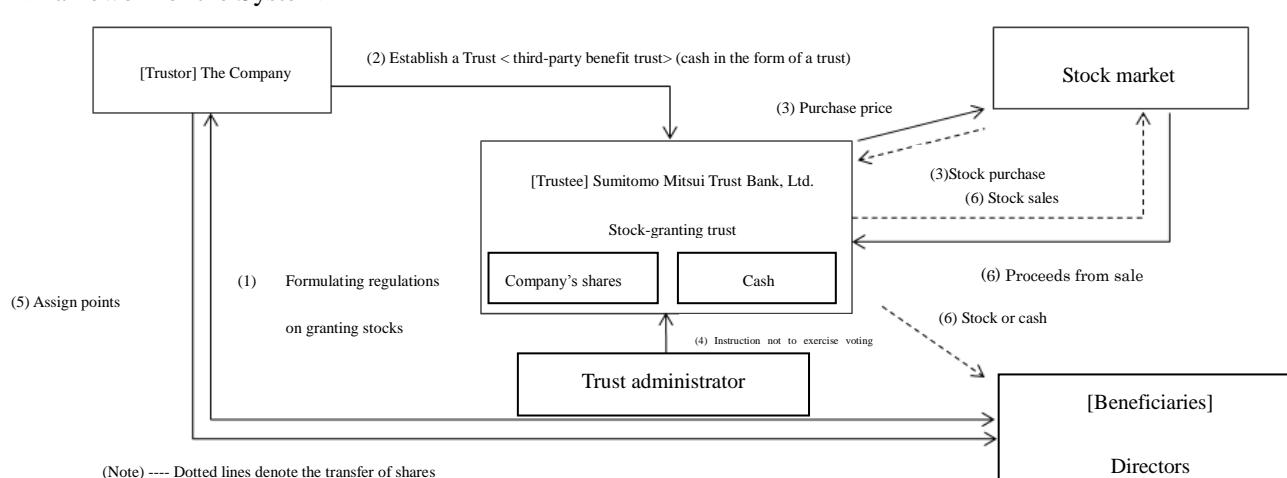
2. Stock-granting trust for directors adopted by the Company

(1) Name	Stock-granting trust for directors
(2) Trustor	The Company
(3) Trustee	Sumitomo Mitsui Trust Bank, Ltd.
(4) Beneficiaries	Of the Company's directors, those who meet the requirements as beneficiaries
(5) Trust administrator	A third party with no interest in the Company to be selected
(6) Type of trust	Money held in trust other than money trust (third-party benefit trust)
(7) Conclusion date of the trust contract	May 12, 2016 (planned)
(8) Amount of trust fund contribution to the trust for stock acquisitions	150,000,000 yen
(9) Date when funds are to go into the trust	May 12, 2016 (planned)
(10) Date of the end of the trust	April 30, 2019 (planned)

3. Description of the Company's stock acquisition for trust

(1) Class of stock to be acquired	Common shares
(2) Method of stock acquisition	Acquisition on the exchange market
(3) Time for stock acquisition	May 12, 2016 to June 30, 2016 (planned)

<Framework of the System>



- (1) The Company shall establish stock-granting regulations for Directors.
- (2) The Company shall establish a stock-granting trust (third-party benefit trust; hereinafter “the trust”) with the Directors as the beneficiaries. The Company shall entrust an amount of cash that is equivalent to the funds used to acquire shares to the trustee (however, the amount is to be within the range approved during the annual shareholders meeting).
- (3) The trustee shall acquire the number of shares expected to be granted in the future in one lump sum (by acquisition on the stock market).
- (4) The Company shall establish a trust administrator (a party that is independent from the Company and the Company’s officers) to protect the profits of beneficiaries, who are eligible under the stock-granting regulations during the trust period, and supervise the trustee.
Regarding the Company’s shares in the trust, voting rights shall not be exercised during the trust period.
- (5) The Company shall assign points to the Directors based on the specified stock-granting regulations.
- (6) The trustees shall grant the Company’s shares to the Directors who have met the requirements established in the stock-granting regulations. In the case of meeting predetermined specific conditions set out in the stock-granting regulations and the trust contract, cash may be granted by selling a portion of the Company’s shares that are to be granted on the stock market.