

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



June 20, 2025

To all parties concerned

Company name: Br.Holdings Corporation.
Name of Kimiyasu Fujita
representative: President and Representative
Director
(Securities code: 1726, Tokyo
Stock Exchange Prime Market)

Contact: Yutaka Urabe
Director, General Manager of
Administration Division
(Phone: +81-82-261-2860)

Notice Regarding Disposal of Treasury Stock as Restricted Stock Incentive for the Employee Shareholding Association

Br.Holdings Corporation. (the “Company”) hereby announces that, at the Board of Directors’ meeting held today, the Company has resolved to implement a Restricted Stock Incentive Plan (the “Plan”) for the Br.Holdings Group Employee Shareholding Association (the “ESA”) and to dispose of treasury stock as restricted stock (the “Treasury Stock Disposal” or the “Disposal”) as follows by designating the ESA as the scheduled allottee.

1. Overview of the Disposal

(1) Date of disposal	September 19, 2025
(2) Type and number of shares to be disposed of	168,000 shares of the common stock of the Company (Note)
(3) Disposal price	JPY 327 per share
(4) Total disposal amount	JPY 54,936,000 (Note)
(5) Method of disposal (scheduled allottee)	The number of shares applied for as determined by the ESA within the range of the number of shares to be disposed of as stated in (2) above will be allotted to the ESA on the condition that an application for subscription is submitted by the ESA using the method of third-party allotment (such allotted shares shall constitute the number of shares to be disposed of). (Br.Holdings Group Employee Shareholding Association: 168,000 shares) Furthermore, applications for only a portion of the Allocated Shares from any individual Eligible Employee (as defined below) shall not be accepted.

(Note) The “number of shares to be disposed of” and the “total disposal amount” are calculated based on the assumption that 300 shares of the Company’s common stock will be granted as restricted stock to each of the 560 employees of Br.Holdings Corporation. (the “Company”) or its subsidiaries (collectively, the “Companies”), which is the maximum number of persons who are eligible under the Plan. The number of shares to be actually disposed of and the actual total disposal amount will be determined according to the number of employees of the Company or its subsidiaries who agree to the Plan (the “Eligible Employees”) after recommending membership to non-members of the ESA and confirming consent to the Plan among the members of the ESA. Specifically, as stated in (5) above, the number of shares applied for as determined by the ESA will be the “number of shares to be disposed of,” and the amount obtained by multiplying such number by the disposal price per share will be the “total disposal amount.” Please note that the Company or its subsidiaries will uniformly provide each Eligible Employee with a monetary claim of JPY 98,100, and the Company will uniformly allot 300 shares to each Eligible Employee through the ESA.

2. Purpose of and Reason for the Disposal

At the Board of Directors' meeting held today, the Company resolved to introduce the Plan for the Eligible Employees among employees of the Company and its subsidiaries who are members of the ESA as a measure to enhance the benefits of the Eligible Employees, aiming to support their wealth-building of the Eligible Employees by providing opportunities to acquire restricted stock that the Company issues or disposes of through the ESA, and also to provide an incentive for the Eligible Employees to make continuous improvements to the Company's value, while also further promoting shared value with the Company's shareholders.

An overview of the Plan is as follows:

[Overview of the Plan]

Under the Plan, the Eligible Employees will be granted monetary claims (the "Special Incentive") by the Company or its subsidiaries as a special incentive for the grant of 300 shares per employee as ESA-RS, and the Eligible Employees will contribute the Special Incentive to the ESA. The ESA will then provide the Special Incentive contributed by the Eligible Employees to the Company by way of an in-kind contribution, and in turn shall receive the disposal of the Company's common stock as ESA-RS.

The amount per share to be paid for the Company's common stock in cases where such common stock is to be disposed of based on the Plan shall be resolved by the Board of Directors within a scope that is not particularly advantageous to the ESA (and by extension to the Eligible Employees) based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors pertaining to the disposal.

In disposing of the Company's common stock based on the Plan, the Company and the ESA will execute an ESA-RS allotment agreement, the outline of which will include, among other things, (1) a prohibition on the transfer, creation of any security interest on, or other disposal of the allotted shares to a third party during a certain restriction period (the "Restriction"), and (2) the Company shall make acquisition of the allotted shares without payment of any consideration if certain events occur. Furthermore, the Special Incentive will be granted to the Eligible Employees on the condition that the ESA-RS allotment agreement is executed between the Company and the ESA.

Moreover, until the Restriction is lifted, based on the ESA Rules, the ESA Detailed Operation Rules and other rules of the ESA (collectively, the "ESA Rules, etc.") (Note), the Eligible Employee will be restricted from withdrawing their member equity interest pertaining to the Allotted Shares (as defined below) to be held by the Eligible Employee in proportion to the monetary claims contributed to the ESA (the "Restricted Stock Equity Interest").

(Note) The ESA is scheduled to resolve to amend the ESA Rules, etc. in order to comply with the Plan prior to receiving the Treasury Stock Disposal at the meeting of the ESA's governing body to be held promptly after the resolution of the Board of Directors pertaining to the Treasury Stock Disposal. Such amendment is scheduled to become effective when two (2) weeks have elapsed after the dispatch of the notice to the members of the ESA in accordance with the ESA Rules, etc. after the resolution at such meeting of the ESA's governing body, and objections from the members of the ESA are less than one-third (1/3) of the total members of the ESA.

In the Treasury Stock Disposal, the Company's common stock (the "Allotted Shares") will be disposed of to the ESA as a result of the ESA, as the scheduled allottee, contributing all of the Special Incentive provided by the Eligible Employees as an in-kind based on the Plan. In the Treasury Stock Disposal, the overview of the ESA-RS allotment agreement to be executed between the Company and the ESA (the "Allotment Agreement") is as described in "3. Overview of the Allotment Agreement" below. The number of shares to be disposed of in the Treasury Stock Disposal is expected to be fixed in due course as indicated in (Note) of 1. above; however, assuming that all 560 employees of the Company or its subsidiaries, which is the maximum number of persons who could be eligible for the Plan, join the ESA and agree to the Plan, a maximum of 168,000 shares will be disposed of. Please note that the scale of stock dilution based on the Treasury Stock Disposal is, when based on the foregoing number of shares disposed of, 0.37% (rounded to the third decimal place; hereinafter the same in the calculation of percentages) of 45,795,000 shares as the total number of issued shares as of March 31, 2025, and is 0.37 % of 448,786 voting rights as the total number of voting rights as of March 31, 2025.

The introduction of the Plan is intended to help the Eligible Employees build their assets by creating opportunities for the Eligible Employees to acquire the Company's common stock to be issued or disposed of by the Company as restricted stock through the ESA. In addition, the Plan is intended to encourage the Eligible Employees to become more aware of the Company's business performance and stock price, as well as to provide a method to further share value with the Company's shareholders, which will then increase their initiative,

willingness to contribute, and motivation toward the enhancement of corporate value. The Company believes that the introduction of the Plan will contribute to increasing the Company group's corporate value, and that the number of shares to be disposed of and the scale of stock dilution in the Treasury Stock Disposal are reasonable, and, even taking into account the scale of the dilution, the Company has determined that the impact on the market will be minor.

Please note that the Treasury Stock Disposal will be implemented on the condition that the amended ESA Rules, etc. become effective by the day preceding the date of disposal of the Treasury Stock Disposal, and that the Allotment Agreement between the Company and the ESA is executed during the application period.

3. Overview of Allotment Agreement

(1) Transfer restriction period

From September 19, 2025 to September 30, 2028

(2) Condition for lifting of the Restriction

On the condition that an Eligible Employee has continuously been a member of the ESA during the transfer restriction period, the Restriction shall be lifted upon expiration of the transfer restriction period for all of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employee who satisfies such condition.

(3) Treatment upon terminating membership of the ESA

In cases where an Eligible Employee terminates membership of the ESA (referring to cases where the Eligible Employee loses membership qualification or applies for termination of membership, and including the case of termination of membership due to death) during the transfer restriction period due to retirement at the mandatory retirement age or any other justifiable cause (including the cases where the reemployment period for the Eligible Employee (including any renewed reemployment period) is terminated if such Eligible Employee is reemployed after retirement; and the cases where the Company or its subsidiaries deem it difficult for the Eligible Employee to continue to perform his/her duties for any unavoidable cause, such as illness or nursing care; the same shall apply hereafter), effective as of the date on which the Eligible Employee terminates membership of the ESA (in the case where the Eligible Employee applies for termination of membership, the date on which the ESA receives such application; or in the case of termination of membership due to death, the date of death; the "Termination Date"), the Company will lift the Restriction for the total number of the Allotted Shares in proportion to the Restricted Stock Equity Interest held by the Eligible Employee (or, in the case of termination of membership due to death, his/her heir) on the Termination Date.

(4) Treatment upon becoming a non-resident.

In cases where the Company or its subsidiaries determine that an Eligible Employee will fall under the category of a non-resident during the transfer restriction period due to overseas transfer or any other cause, effective as of the date on which such determination is made (the "Determination Date for Overseas Transfer"), the Restriction shall be lifted for the total number of the Allotted Shares in proportion to the Restricted Stock Equity Interest held by such Eligible Employee on the Determination Date for Overseas Transfer.

(5) Acquisition without payment of any contribution by the Company

If an Eligible Employee engages in acts that violate laws and regulations during the Transfer Restriction Period or falls under certain conditions stipulated in the Allotment Agreement, the Company shall automatically acquire, without payment of any contribution, all Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employee at that time. In addition, the Company shall automatically acquire, without payment of any contribution, any Allotted Shares for which the transfer restrictions are not lifted at the expiration of the Transfer Restriction Period or at the time of transfer restriction removal as stipulated in items (3) or (4) above.

(6) Management of stocks

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account opened by the ESA at Nomura Securities Co., Ltd. in order to ensure that the ESA neither transfers, creates any security interest in, nor otherwise disposes of the Allotted Shares during that period. Furthermore, the ESA shall register and manage, pursuant to the provisions of the ESA Rules, etc., the Restricted Stock Equity Interest held by the Eligible Employee pertaining to the Allotted Shares, separately from the Ordinary Equity Interest held by the Eligible Employees pertaining to the Company's stock acquired by the ESA not pursuant to the Allotment Agreement.

(7) Treatment upon reorganization, etc.

In cases where, during the transfer restriction period, approval is obtained for a merger agreement under which the Company becomes the extinct company, or a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary, or other matters regarding reorganization, etc., at a general meeting of shareholders of the Company (provided, however, that if such approval is not required at a general meeting of shareholders, then by the Board of Directors of the Company), based on a resolution of the Board of Directors, the Restriction shall be lifted for the total number of the Allotted Shares in proportion to the Restricted Stock Equity Interest held by the Eligible Employee among the Allotted Shares held by the ESA, as of the date of such approval, effective immediately prior to the business day preceding the effective date of the reorganization, etc.

4. Basis of Calculation and Specific Details of the Disposal Amount

The Treasury Stock Disposal to the ESA as the scheduled allottee is conducted by the Eligible Employees contributing the Special Incentive to the ESA as a contribution in kind for the grant of ESA-RS. To eliminate any arbitrariness in the disposal amount, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on June 19, 2025 (the business day immediately preceding the date of the resolution of the Board of Directors) of JPY 327 is used as the disposal amount. As this is the market closing price immediately before the date of the resolution of the Board of Directors, the Company believes that it is rational and not a particularly advantageous amount.

Note that the deviation rate (rounded to two decimal places) of this price from the average closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market is as follows.

Period	Average closing price (any amount less than 1 yen shall be rounded off)	Deviation rate
1 month (May 20 2025 to June 19, 2025)	JPY 326	0.31%
3 months (March 21, 2025 to June 19, 2025)	JPY 329	-0.61 %
6 months (December 20 , 2024 to June 19, 2025)	JPY 334	-2.10 %

The Company's Audit and Supervisory Committee, composed of four members including three outside directors, has expressed its opinion that the above disposal price is lawful and does not constitute a particularly advantageous price for the designated allottee. This assessment is based on the fact that the Treasury Share Disposal is intended for the implementation of the Plan and that the disposal price is set at the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution.

5. Matters Related to Procedures under the Company's Code of Conduct

With regard to the Treasury Stock Disposal, since (1) the dilution rate is less than 25% and (2) it does not involve a change in the controlling shareholder, there is no need to undertake procedures to acquire the opinion of an independent third party and confirm the intention of shareholders as set forth in Article 432 of the Securities Listing Regulations prescribed by the Tokyo Stock Exchange.

[Scheme of the Plan]

-
- The diagram illustrates the Restricted Stock Allotment Agreement between a Company and its subsidiaries, involving ESA Members (Eligible Employees) and the Stock market.
- Entities and Interests:**
- Our subsidiaries** (Grey box)
 - Company** (Red box)
 - ESA (Chairperson)** (Grey box)
 - Restricted Stock Equity Interest (RS Equity Interest)** (Red box)
 - Ordinary Equity Interest** (Dark grey box)
 - Stock market** (Blue box)
 - ESA Members (Eligible Employees)** (Grey box)
 - Nomura Securities** (Yellow box)
- Flows and Transactions:**
- (1) Special Incentive (monetary claims):** From subsidiaries to the Company.
 - (2) Contribution (monetary claims):** From subsidiaries to the Company.
 - (3) Contribution (monetary claims):** From subsidiaries to the Company.
 - (4) Allotment of RS:** From the Company to the Restricted Stock Equity Interest.
 - (5) Withdrawal not allowed:** From the Restricted Stock Equity Interest to the Company's shares (RS).
 - (6) Lifting of Restriction:** From the Company's shares (RS) to the Ordinary Equity Interest.
 - Stock purchase:** From the Company to the Stock market.
 - Withdrawal:** From the Ordinary Equity Interest to the Money.
 - Contribution (money):** From the Money to the Ordinary Equity Interest.
- Restrictions and Agreements:**
- Restricted stock allotment agreement:** A red diamond shape indicating the agreement between the Company and the Restricted Stock Equity Interest.
 - Monetary claims:** A red oval shape indicating the claims within the Restricted Stock Equity Interest.
 - Company's shares (RS):** A red oval shape indicating the shares within the Restricted Stock Equity Interest.
 - Shares of the Company:** A grey oval shape indicating the shares within the Ordinary Equity Interest.
 - Money:** A grey oval shape indicating the money within the Ordinary Equity Interest.
- Visual Elements:**
- Red lines:** Indicate the flow of monetary claims and the restricted stock allotment agreement.
 - Yellow dashed box:** Encloses the Restricted Stock Equity Interest and the Ordinary Equity Interest.
 - Red X:** Indicates that withdrawal is not allowed from the Restricted Stock Equity Interest.
 - Blue icons:** Represent the ESA Members (Eligible Employees) at the bottom of the diagram.

END