



June 24, 2025

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Notice Concerning Disposal of Treasury Shares as Restricted Stock

SEIKITOKYU KOGYO CO., LTD. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of its treasury shares (the “Disposal of Treasury Shares,” or “Disposal”). The details are described below.

1. Outline of the Disposal

(1) Date of Disposal	July 18, 2025		
(2) Class and number of shares to be disposed	23,400 shares (common shares) of the Company		
(3) Disposal price	1,469yen per share		
(4) Total value of shares to be disposed	34,374,600yen		
(5) Allotees and number thereof, and number of shares to be disposed	Directors (excluding Outside Directors):	4 persons	11,400 shares
	Executive Officers who do not concurrently serve as Directors:	12 persons	12,000 shares

2. Purpose and reason for the Disposal

The Company has resolved, at a meeting of the Board of Directors held on May 24, 2018, to introduce a restricted share compensation plan (the “Plan”) as a new compensation plan for its Directors, excluding Outside Directors, (the “Eligible Director (s)”) with the purpose of providing them with medium- to long-term incentives and having them share shareholder value. In addition, at the 69th Annual General Meeting of Shareholders held on June 22, 2018, it was approved that under the Plan, monetary compensation claims of up to 60 million yen per annum shall be paid to the Eligible Directors as monetary compensation to be used as property to be contributed for the acquisition of restricted shares and that a period of not less than three (3) years to be determined by the Board of Directors of the Company shall be set as the transfer restriction period for the restricted shares (the “Resolution”).

Based on the Resolution, the Company has also introduced a similar plan for Executive Officers who do not concurrently serve as Directors (collectively with the Eligible Director(s), the “Eligible Director (s), etc.”) as for the Eligible Directors.

The outline of the Plan, etc. is as follows.

[Outline of the Plan, etc.]

Under the Plan, the Eligible Directors, etc. shall pay all the monetary compensation claims provided to them by the Company as property contributed in kind to receive issuance or disposal of shares of common stock of the Company. The total number of shares of common stock to be issued or disposed of by the Company for the Eligible Directors under the Plan shall be up to 50,000 shares per annum. The amount to be paid in per share shall be determined by the Board of Directors based on 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 each resolution of the Board of Directors (or, if no trading is effected on that date, the closing price of the immediately preceding trading day) to the extent that such amount is not particularly advantageous to the Eligible Directors, etc. who subscribe for such common stock.

In addition, upon the issuance or disposal of shares of common stock of the Company under the Plan, a restricted share allotment agreement shall be concluded between the Company and the Eligible Directors, etc., which shall provide in part that: (i) the Eligible Directors, etc. shall not, for a defined period, transfer, create a security interest on, or otherwise dispose of the shares of common stock of the Company allotted under the restricted share allotment agreement and (ii) the Company shall acquire such shares of common stock without consideration in the occurrence of certain events.

This time, in consideration of the purpose of the Plan, business conditions of the Company, the scope of responsibilities of each Eligible Director, etc. and various other circumstances, the Company has decided to grant a total of 34,374,600 yen in monetary compensation claims (the "Monetary Claims") and 23,400 shares of common stock of the Company. In order to achieve the purpose of introducing the Plan, which is to provide incentives to enhance the Group's medium- to long-term corporate value and to have the Eligible Directors, etc. further share value with shareholders of the Company, the transfer restriction period has been set at 30 years.

With regard to the Disposal of Treasury Shares, under the Plan, the 16 Eligible Directors, etc., who are scheduled allottees, will pay all the Monetary Claims against the Company as property contributed in kind, and receive disposal of shares of common stock of the Company (the "Allotted Shares"). The outline of the restricted share allotment agreement (the "Allotment Agreement") to be concluded between the Company and the Eligible Directors, etc. in connection with the Disposal of Treasury Shares is as described in 3. below.

3. Outline of the Allotment Agreement

- (1) Transfer restriction period: from July 18, 2025 to July 17, 2055
- (2) Conditions to lift transfer restrictions

On condition that an Eligible Director, etc. has continued to hold the position of either Director or an employee of the Company throughout the transfer restriction period, the Company shall lift the transfer restrictions on all of the Allotted Shares at the expiration of the transfer restriction period.

- (3) Treatment when an Eligible Director, etc. resigns due to the expiration of his/her term of office, reaching mandatory retirement age, or any other justifiable reason during the transfer restriction period
 - (i) Timing of lifting of the transfer restrictions

If an Eligible Director, etc. retires or resigns from any position as Director or an employee of the Company due to the expiration of his/her term of office, reaching mandatory retirement age, or any other justifiable reason (excluding the case of retirement or resignation due to death), the Company shall lift the transfer restrictions at the time immediately following the retirement or resignation of the Eligible Director, etc. In the case of retirement or resignation due to death of an Eligible Director, etc., the Company shall lift the transfer restrictions at a time separately determined by the Board of Directors after the death of the Eligible Director, etc.
 - (ii) Number of shares subject to lifting of the transfer restrictions

Number of shares calculated by multiplying the number of the Allotted Shares held at the time of the retirement or resignation as specified in (i) by the number obtained by dividing by 12 the period of service (in months) of the Eligible Director, etc. for the transfer restriction period (provided that the number should be one in the case where the calculation results in a number greater than one) (provided; however, that in the case where the calculation results in a fraction of less than one unit, the fraction is rounded down).

(4) Acquisition by the Company without consideration

The Company shall rightfully acquire, without consideration, the Allotted Shares for which the transfer restrictions have not been lifted at the expiration of the transfer restriction period or at the time of termination of the transfer restrictions as specified in (3) above.

(5) Management of shares

The Allotted Shares will be managed in a dedicated account opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. during the transfer restriction period so that the Eligible Directors, etc. cannot transfer, create a security interest on, or otherwise dispose of the Allotted Shares during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions for the Allotted Shares, etc., the Company has concluded an agreement with Nomura Securities Co., Ltd. in relation to the management of the Allotted Shares account held by each Eligible Director, etc. In addition, the Eligible Director, etc. shall agree to the details of the management of such account.

(6) Treatment in the event of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement under which the Company will become a dissolving company, a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary, or any other matters relating to organizational restructuring, etc. are approved at the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company in the case where approval of the General Meeting of Shareholders of the Company about such organizational restructuring, etc. is not required), the Company shall, based on the resolution of the Board of Directors, lift the transfer restrictions on the Allotted Shares held by the Eligible Directors, etc. immediately prior to the business day that precedes the effective date of the organizational restructuring, etc. For the Allotted Shares held by the Eligible Directors, the Company shall lift the transfer restrictions, with the number of shares calculated by multiplying the number of the Allotted Shares held at the time of such approval by the number obtained by dividing by 12 the number of months from the month in which the transfer restriction period commences to the month to which the date of such approval belongs (provided that the number should be one in the case where the calculation results in a number greater than one). For the Allotted Shares held by Executive Officers, the Company shall lift the transfer restrictions, with the number of shares calculated by multiplying the number of the Allotted Shares held at the time of such approval by the number obtained by dividing by 12 the number of months from April of the year to which the commencement month of the transfer restriction period belongs to the month to which the date of such approval belongs (provided; however, that in the case where the calculation results in a fraction of less than one unit, the fraction is rounded down). Further, the Company shall rightfully acquire, without consideration, all of the Allotted Shares for which the transfer restrictions have not been lifted as of the time immediately following the lifting of the transfer restrictions.

4. Basis and specific details of the calculation of the amount to be paid in contribution

The Disposal of Treasury Shares for the scheduled allottees will be conducted with the Monetary Claims as property to be contributed which are paid to be used as property to be contributed for the acquisition of the Company's restricted shares for fiscal 2025 under the Plan. In order to eliminate arbitrariness, the disposal price is set at 1,469 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June 23, 2025 (the business day immediately preceding the date of resolution of the Board of Directors). As this is the market price of the Company's common stock immediately preceding the date of the resolution of the Board of Directors, the Company believes that it is reasonable and does not constitute a particularly advantageous amount.