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Notice Regarding the Disposal of Treasury Shares as Restricted Stock for Directors and Employees

S Foods Inc. (the “Company”) hereby announces that its Board of Directors has resolved at the meeting held today to dispose of treasury shares (hereinafter referred to as the “Disposal of Treasury Shares”) as described below.

1. Overview of the disposal

(1) Date of payment	June 20, 2025
(2) Type and number of shares to be disposed of	23,890 common shares of the Company
(3) Disposal value	2,647 yen per share
(4) Total disposal value	63,236,830 yen
(5) Planned allottees	5 Directors*: 5,854 shares 221 employees: 18,036 shares *Excluding Outside Directors

2. Objectives of and reasons for disposal

At the meeting of the Board of Directors held on April 13, 2018, the Company resolved to introduce the restricted stock compensation plan (hereinafter, the “Plan”) as a new compensation plan for Directors of the Company (excluding Outside Directors; the same shall apply hereinafter), with the aim of providing incentives to sustainably enhance the Company’s medium- to long-term corporate value and shareholder value, as well as to further promote the sharing of value with all shareholders. In addition, at the 52nd Annual General Meeting of Shareholders held on May 22, 2018, it was approved that (i) the Company shall provide monetary compensation receivables within 30 million yen per year to the Company’s Directors as property contributed in kind for the grant of transfer-restricted stock under the Plan, and that such monetary compensation receivables shall be provided separately from the existing monetary compensation framework, (ii) the transfer restriction period shall be 30 years from the Date of payment (share delivery date) of the transfer-restricted stock, and (iii) if a Director or Directors of the Company resign before the end of the transfer restriction period due to the expiration of their term of office, mandatory retirement or other justifiable reason, the transfer restriction shall be lifted.

The overview of the Plan is as follows.

<Overview of the Plan>

Directors of the Company will pay all monetary compensation receivables granted from the Company based on the Plan as property contributed in kind. In return, they shall receive the issuance or disposal of common shares of the Company.

The total number of common shares of the Company to be issued or disposed of for the Directors under the Plan will be within 7,500 shares a year, and the amount to be paid in per share of the said Company's common shares will be determined by the Board of Directors within a range that is not particularly advantageous to the Directors who will receive the allotment, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day before the date of resolution of the Board of Directors (if no transaction is executed on that day, the closing price on the trading day immediately preceding such day).

In addition, regarding the issuance or disposal of its common shares under the Plan, the Company will enter into a restricted stock allotment agreement with the Directors, who will receive the allotment, and the agreement will contain the following items.

- i. The Directors may not, during a predefined period, transfer, create a security interest on, or otherwise dispose of the Company's common shares allotted under the restricted stock allotment agreement; and
- ii. The Company shall acquire said common shares without consideration if certain events occur.

In addition, at the Board of Directors meeting held on May 24, 2023, the Company resolved to introduce a restricted stock compensation plan similar to this Plan for employees of the Company.

On this basis, the Company resolved at the Board of Directors meeting held today to grant monetary compensation receivables and monetary receivables amounting to a total of 63,236,830 yen and consequently 23,890 common shares of the Company (hereinafter, the "Allotted Shares") to the five Directors of the Company (hereinafter, the "Eligible Directors") and the 221 employees (hereinafter, the "Eligible Employees," together with the Eligible Directors referred to collectively as the "Eligible Persons"), taking into account the purpose of the Plan, the Company's business performance, the scope of job responsibilities of each Eligible Person, and various other factors. Furthermore, with the purpose of providing incentives to improve medium- to long-term corporate value, the Company has set the transfer restriction period at 30 years for Eligible Directors, and until the loss of full-time employee status for Eligible Employees.

<Overview of the restricted stock allotment agreement>

In conjunction with the Disposal of Treasury Shares, the Company and the Eligible Persons will enter into a restricted stock allotment agreement individually. Its overview is as follows.

(1) Transfer restriction period

a. Regarding Eligible Directors

During the period from June 20, 2025 (the Date of payment) to June 19, 2055, Eligible Directors may not transfer, create a security interest on, or otherwise dispose of the Allotted Shares.

b. Regarding Eligible Employees

During the period from June 20, 2025 (the Date of payment) to the date when they lose their status as full-time employees of the Company, Eligible Employees may not transfer, create a security interest on, or otherwise dispose of the Allotted Shares.

(2) Conditions for lifting the transfer restrictions

a. Regarding Eligible Directors

On the condition that the Eligible Directors continuously hold the position of Director of the Company during the period from June 20, 2025 to the time of the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending February 28, 2026, the transfer restriction on all the Allotted Shares will be lifted at the time of expiration of the transfer restriction period. However, if an Eligible Director retires from his or her position as a Director of the Company during the transfer restriction period due to his or her death, the expiration of his or her term of office, or any other justifiable reason, the transfer restriction will be lifted for the number of Allotted Shares calculated by dividing the number of months from the month that includes the Date of payment to the month that includes the date of retirement by 12

(if the number exceeds 1, it will be deemed to be 1) and multiplying this number by the number of Allotted Shares (if the calculation produces a fraction less than 1, it will be rounded down) in the time immediately after the Eligible Director's retirement.

b. Regarding Eligible Employees

On the condition that the Eligible Employee has continuously held the position of a full-time employee of the Company from June 20, 2025 (the Date of payment) to June 19, 2026 (hereinafter referred to as the "Period"), the transfer restriction on all of the Allotted Shares will be lifted at the end of the transfer restriction period. However, if an Eligible Employee loses his or her position as a full-time employee of the Company during the Period due to his or her death or any other justifiable reason, the transfer restriction will be lifted for the number of Allotted Shares calculated by dividing the number of months from the month that includes the Date of payment to the month that includes the date of losing his or her position by 12 (if the number exceeds 1, it will be deemed to be 1) and multiplying this number by the number of Allotted Shares (if the calculation produces a fraction of less than 1 share, it will be rounded down) in the time immediately after the Eligible Employee's loss of his or her position.

(3) Acquisition without consideration by the Company

At the expiration of the transfer restriction period, the Company will acquire the Allotted Shares on which the transfer restriction has not yet been lifted without consideration as a matter of course.

(4) Management of shares

The Allotted Shares will be managed at a dedicated account for restricted stock to be opened by each of the Eligible Persons in Daiwa Securities Co. Ltd. during the transfer restriction period, so that the Eligible Persons cannot transfer, create a security interest on, or otherwise dispose of the Allotted Shares.

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

If, during the transfer restriction period, a merger agreement under which the Company becomes a disappearing company, a share exchange agreement under which the Company becomes a wholly owned subsidiary or a share transfer plan or any other matters related to organizational restructuring are approved at the Company's general meeting of shareholders (if the approval of the Company's general meeting of shareholders is not required for the relevant organizational restructuring or any other matters, then at a meeting of the Board of Directors), then in accordance with a resolution of the Board of Directors, the transfer restriction will be lifted on the business day immediately preceding the effective date of the relevant organizational restructuring for the number of Allotted Shares calculated by dividing the number of months from the month that includes the Date of payment to the month that includes the approval date of the organizational restructuring by 12 (if the number exceeds 1, it will be deemed to be 1) and multiplying this number by the number of Allotted Shares in possession at that time (if the calculation produces a fraction of less than 1 share, it will be rounded down).

3. Grounds for calculation of the amount to be paid in and specific details thereof

The Disposal of Treasury Shares will be conducted using monetary compensation receivables granted to the Eligible Persons based on the Plan as property contributed in kind. In order to eliminate arbitrariness, the amount to be paid in is set at 2,647 yen, the closing price of the common shares of the Company on the Tokyo Stock Exchange on May 22, 2025 (the business day before the date of resolution of the Board of Directors). This is the market share price immediately before the date of resolution of the Board of Directors. The Company believes that it is a reasonable value that appropriately reflects the Company's corporate value in the situation without exceptional circumstances where the latest share price cannot be relied on and therefore does not constitute a value that is particularly advantageous to the Eligible Persons.