



April 21, 2025

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Notice Regarding Disposal of Treasury Stock as Restricted Stock to Employee Stockholding Association

GAKUJO Co., Ltd. (hereinafter “GAKUJO”) announces that at a meeting of the Board of Directors held today (April 21, 2025) it was resolved to introduce a system (hereinafter, the “System”) to grant restricted stock to employees of GAKUJO through the Employee Stockholding Association of GAKUJO (hereinafter, the “Association”), and resolved to dispose of treasury stock as restricted stock (hereinafter, the “Treasury Stock Disposal” or “Disposal”) with the Association as the intended allottee, as described below.

1. Outline of the Disposal

(1) Date of Disposal	August, 20 2025
(2) Class and number of shares to be disposed of	30,000 shares of common stock of GAKUJO (Note 1)
(3) Disposal price	1,689 yen per share.
(4) Total value of Disposal	50,670,000 yen
(5) Method of Disposal	Third-party allotment
(6) Scheduled allottee	Stockholding Association of GAKUJO: 30,000 shares

(Note 1) The Association will invite employees of GAKUJO to apply for membership in the Association, with a sufficient period of notice, following the resolution of the council of the Association promptly after the resolution at the ordinary meeting of the Board of Directors held on April 21, 2025, . For this reason, the figure for the “number of shares to be disposed of” is expected to be finalized after confirming the agreement of new and existing participants in the System.

(Note 2) This is the estimated amount as of today and is the amount obtained by multiplying the number of shares to be disposed of in (2) above by the disposal price in (3) above.

2. Purpose and the Reasons for the Disposal

GAKUJO resolved to introduce the System in order to increase the motivation of its employees to contribute to the enhancement of the corporate value of GAKUJO, to promote further sharing of value between employees of GAKUJO and its shareholders, to encourage further participation in the Association and to help employees of GAKUJO build their assets. Further, the restricted stock will be granted only to employees (hereinafter, the “Subject Employee”) who are members of the Association and have agreed to acquire the interests related to the

stock allotted to the Association.

The outline of the System is as follows:

< Outline of the System >

Under the System, the Subject Employees will be paid monetary claims (hereinafter, the “Monetary Claims”) as special incentive payments for granting restricted stock by GAKUJO and will contribute their Monetary Claims to the Association. The Association will then receive the issue or disposal of GAKUJO’s common stock as restricted stock by making a contribution in-kind to GAKUJO of the Monetary Claims contributed by the Subject Employees.

The amount per share to be paid for GAKUJO’s common stock in cases where such common stock is to be newly issued or disposed of under the System will be determined by the Board of Directors based on the closing price of GAKUJO’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors regarding the issuance or disposal (or, if no transaction is concluded on such date, the closing price on the trading day immediately prior thereto) but will not be particularly advantageous to the Association (or the Subject Employees).

When issuing or disposing of GAKUJO’s common stock based on the System, GAKUJO and the Association will execute a restricted stock allotment agreement, the terms of which will include (1) prohibiting the transfer, pledge, creating any security interest on, inter vivos gift, bequest, or otherwise disposing of the allotted shares to a third party (hereinafter the “Restrictions”) for a certain period, and (2) GAKUJO shall acquire the allotted shares without payment if certain events occur. Furthermore, the Monetary Claims will be paid to the Subject Employee on the condition that the restricted stock allotment agreement is executed between GAKUJO and the Association.

In addition, based on the Rules and Operating Bylaws of the Association (hereinafter the “Association Rules”) (Note 3), a Subject Employee will be restricted from withdrawing the restricted stock acquired by the Association through the issuance or disposal corresponding to the Subject Employee’s equity interest (hereinafter the “Restricted Stock Interest”) until the Restrictions on the restricted stock have been lifted.

(Note 3) In order to accommodate the System prior to the Treasury Stock Disposal, the Association is scheduled to pass a resolution to amend the Association Rules at the meeting of the council to be held promptly after the date of the resolution of GAKUJO’s Board of Directors’ meeting. Such amendment is scheduled to become effective two weeks after the date of the council meeting of the Association, if fewer than half of the members of the Association object.

< Outline of the Disposal >

GAKUJO resolved to grant a total of 50,670,000 yen in Monetary Claims as special incentive payments to the Subject Employees and to grant a total of 30,000 shares of common stock of GAKUJO (hereinafter referred to as the “Allotted Shares”) to the Association in exchange for the Association receiving the Monetary Claims from the Subject Employees and providing the Monetary Claims to GAKUJO as an in-kind contribution.

The Treasury Stock Disposal will be accomplished through a third-party allotment in which GAKUJO will grant Monetary Claims to the Subject Employees and dispose of treasury stock to the Association in exchange for the contribution of such Monetary Claims. While the number of shares to be disposed of is expected to become

fixed in due course as indicated in (Note 1) of 1. Outline of the Disposal above, a maximum of 30,000 shares are planned to be disposed of to the Association.

The dilution caused by the Treasury Stock Disposal will be 0.19% (rounded to two decimal places; hereinafter the same in all calculations of percentages) of the total number of issued shares (15,560,000 shares as of October 31, 2024) and will be 0.22% of the total number of voting rights (136,767 as of October 31, 2024).

<Outline of the Restricted Stock Allotment Agreement>

The outline of the restricted stock allotment agreement to be entered into between GAKUJO and the Association is as follows:

(1) Transfer Restriction Period

The Association is prohibited from transferring, creating any security interest in or otherwise disposing of the Allotted Shares, and will not allow the Subject Employees to withdraw or transfer the Allotted Shares, during the period from August 20, 2025 (the payment due date) to November 20, 2028 (the “Transfer Restriction Period”).

(2) Condition for lifting Restrictions

On the condition that a Subject Employee has been a member of the Association on a continuous basis during the Transfer Restriction Period, the Restrictions will be lifted for the Allotted Shares corresponding to the Restricted Stock Interest held by such Subject Employee at the end of the Transfer Restriction Period. However, if the Subject Employee withdraws from the Association during the Transfer Restriction Period due to the expiration of term of office, retirement upon reaching the mandatory retirement age, death, or any other reason deemed legitimate by the Board of Directors of GAKUJO, the Restrictions will be lifted on the first business day of the month in which the settlement associated with such withdrawal takes place (the “Pro-Rata Vesting Date”) for the number of Allotted Shares calculated by multiplying (i) the number of months from the month including the payment due date to the month including the Pro-Rata Vesting Date, divided by 40 (provided, however, that if such result exceeds 1, it shall be deemed to be 1), by (ii) the number of such Allotted Shares corresponding to the Restricted Stock Interest held by such Subject Employee, with any resulting fractional shares less than one share being rounded down.

If this condition is satisfied, GAKUJO shall notify the Association regarding the lifting of the Restrictions and the number of Allotted Shares for which the Restrictions will be lifted. The Association shall, pursuant to the provisions of the Association Rules, convert the interest in Allotted Shares for which the Restrictions have been lifted from the Restricted Stock Interest held by the Subject Employee to the member interest (hereinafter the “Ordinary Interest”) held by such Subject Employee in relation to shares acquired by the Association not based on the System.

(3) Acquisition without consideration by GAKUJO

GAKUJO will automatically acquire without consideration any Allotted Shares for which the Restrictions have not been lifted as of the expiration of the Transfer Restriction Period or as of the time prescribed in the restricted stock allotment agreement. In the event that GAKUJO acquires the Allotted Shares without consideration, GAKUJO shall notify the Association of the fact that it will acquire the Allotted Shares without consideration and the number of Allotted Shares to be acquired without consideration, and the Association shall at the time of receipt of said notification, in accordance with the provisions of the Association Rules, deduct from the relevant Subject Employee’s Restricted Stock Interest the number of Allotted Shares corresponding to the Allotted Shares to be

acquired without consideration .

(4) Management of shares

During the Transfer Restriction Period, the Allotted Shares shall be managed in a dedicated account opened by the Association at Daiwa Securities Co., Ltd. in order to ensure that the Association does not transfer, create any security interest on, or otherwise dispose of the Allotted Shares during the Transfer Restriction Period. Furthermore, the Association shall register and manage, pursuant to the provisions of the Association Rules, the Restricted Stock Interests to be held by the Subject Employees in relation to the Allotted Shares separately from the Ordinary Interests held by such Subject Employees in relation to shares acquired by the Association not based on the System.

(5) Treatment upon reorganization, etc.

In cases where, during the Transfer Restriction Period, a merger agreement in which GAKUJO becomes the extinct company, a share exchange agreement or a share transfer plan in which GAKUJO becomes a wholly-owned subsidiary, or other matters regarding reorganization are approved at a general meeting of shareholders of GAKUJO (or, in cases where the reorganization, etc. does not require approval from a general meeting of shareholders of GAKUJO, the Board of Directors of GAKUJO), the Restrictions may be lifted based on a resolution of the Board of Directors immediately before the business day preceding the effective date of the reorganization, etc. (hereinafter, the “Effective Date of Reorganization”) for the number of Allotted Shares (any amount less than 1 share is rounded off) calculated by multiplying (i) the number of months from the month including the payment due date to the month including the Effective Date of Reorganization, divided by 40 (provided, however, that if such result exceeds 1, it shall be deemed to be 1), by (ii) the number of Allotted Shares corresponding to the Restricted Stock Interest held by the Subject Employee, with any resulting fractional shares less than one share being rounded down.

3. Basis of Calculation and Specific Details of the Disposal Price

The Disposal of Treasury Stock will be carried out by GAKUJO providing the Subject Employees with Monetary Claims as special incentive payments for the grant of restricted stock under the System, the Subject Employees contributing Monetary Claims to the Association, and the Association contributing the Monetary Claims in kind to GAKUJO. To eliminate any arbitrariness in the Disposal price, the closing price of GAKUJO’s common stock on April 18, 2025 (the business day immediately preceding the date of resolution by the Board of Directors) on the Tokyo Stock Exchange (Stock exchange: Prime) of 1,689 yen is set as the Disposal price. As there are no special circumstances suggesting that the latest share price of GAKUJO should not be relied on, this is deemed to be a reasonable price that appropriately reflects GAKUJO’s corporate value and is not particularly favorable to the Association.

The rate of deviation (rounded off to two decimal places) from the closing price of GAKUJO’s common stock on the Tokyo Stock Exchange (Stock exchange: Prime) is as follows.

Period	Average closing price (rounded down to the nearest yen)	Deviation rate
1 month (March 19,2025 ~ April 18,2025)	1,723 yen	2.00%
3 months (January17,2025 ~April 18,2025)	1,947yen	13.25%
6 months (October18,2024 ~April 18,2025)	1,932yen	12.60%

At the Board meeting held today, all three auditors (including two outside auditors) expressed their opinion that, in light of the fact that the Treasury Stock Disposal is intended to provide incentives to the Subject

Employees and that the Disposal price is the closing price on the business day immediately preceding the date of the Board of Directors' resolution, the process by which GAKUJO determined the Disposal price was not particularly favorable to the Association, the recipient of the allotment, and was reasonable and lawful.

4. Matters related to Procedures under the Code of Corporate Conduct

With regard to the Treasury Stock Disposal, since (1) the dilution rate is less than 25% and (2) it does not involve the change of the controlling shareholder, there is no need to take procedures for acquiring the opinion of an independent third party and confirming the intention of shareholders as set forth in Article 432 of the listing regulations prescribed by the Tokyo Stock Exchange.

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