



April 25, 2025

To whom it may concern

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Notice Concerning Issuance of New Shares as Remuneration with Transfer Restricted Stocks

The Company announces that its Board of Directors has resolved at a meeting held on April 25, 2025 to issue new shares of common stock (hereinafter referred to as the "New Share Issuance") as follows.

1. Outline of the New Share Issuance

(1)	Due date of payment	May 23, 2025
(2)	Class and number of shares to be issued	Common stock of the Company 25,616 shares
(3)	Amount to be paid in	1,210 yen per share
(4)	Total amount of issuance	30,995,360 yen
(5)	Allottee	Directors of the Company (excluding outside directors): 5 persons, 23,551 shares Executive officers not concurrently serving as directors of the Company: 5 persons, 2,065 shares

2. Purpose and Reason for Issuance of the New Share Issuance

The Company resolved at the meeting of Board of Directors held on February 14, 2020 to introduce a Transfer Restricted Stocks Compensation Plan (hereinafter referred to as the "Plan") as a new compensation plan for the Company's directors excluding outside directors (hereinafter referred to as the "Subject Directors") for the purpose of providing medium- to long-term incentives to the Subject Directors and sharing shareholder values. In addition, at the 21st Ordinary General Meeting of Shareholders held on March 25, 2020, a resolution was passed to pay monetary compensation claims up to 45 million yen per year to the Subject Directors as monetary compensation to be used as contribution assets for the acquisition of Transfer Restricted Stocks (hereinafter referred to as the "Remuneration with Transfer Restricted Stocks") based on the Plan, to make the Transfer Restricted Period for the Transfer Restricted Stocks between three and thirty years as determined by the Board of Directors of the Company, and to allocate the Transfer Restricted Stocks to the Subject Directors to no more than 45,000 shares per year.

In addition, at the meeting of Board of Directors held today, the Company also resolved to introduce an incentive plan (hereinafter referred to collectively with the Plan as the "Plan, etc.") for executive officers who do not concurrently serve as directors of the Company (hereinafter referred to as the "Subject Executive Officers" and collectively with the Subject Directors, the "Subject Directors, etc.") by utilizing the Transfer Restricted Stocks.

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

[Outline, etc. of the Plan]

The Subject Directors, etc. will pay all of the monetary compensation claims paid by the Company under the Plan as contribution assets in kind and will be issued or disposed of shares of common stocks of the Company. The amount to be paid in per share of common stock to be issued or disposed of by the Company to the Subject Directors, etc. under the Plan shall be determined by the Board of Directors 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 each Board of Director's resolution (or, if no trading is conducted on that date, the closing price of the most recent trading day prior to that date) to the extent that the amount is not particularly advantageous to the Subject Directors, etc. who subscribe for the common stocks.

In addition, upon the issuance or disposal of shares of common stock of the Company under the Plan, the Company shall enter into a Transfer Restricted Stocks Allotment Agreement with the Subject Directors, etc. The terms of the agreement shall include, among others, (i) the Subject Directors, etc. shall not transfer, grant security interests in, or otherwise dispose of the shares of common stock of the Company allotted under the Transfer Restricted Stocks Allotment Agreement for a certain period of time, and (ii) the Company shall acquire such shares of common stocks without consideration in the event of certain events.

This time, considering the purpose of the Plan, the Company's business conditions, the scope of responsibilities of each of the Subject Directors, etc., and various circumstances; and with the aim of further motivating each of the Subject Directors, etc., the Company decided to grant a total of 30,995,360 yen in monetary compensation claims (hereinafter referred to as the "Monetary Compensation Claims") and 25,616 shares of common stocks to the Subject Directors, etc. Additionally, in order to realize the purpose for introducing the Plan, which is to share the shareholder values over the medium- to long-term, the Transfer Restricted Period is set to 30 years for this time.

In the New Share Issuance under the Plan, ten (10) Subject Directors, etc., who are the Scheduled Allottees, will pay all of the Monetary Compensation Claims to the Company as contribution assets in kind, and will be issued shares of common stock of the Company (hereinafter referred to as the "Allotted Shares"). The outline of the Transfer Restricted Stocks Allotment Agreement (hereinafter referred to as the "Allotment Agreement") to be concluded between the Company and the Subject Directors, etc., in connection with the New Share Issuance is as described in 3. below.

3. Outline of the Allotment Agreement

- (1) Transfer Restricted Period: From May 23, 2025 to May 22, 2055
- (2) Conditions for Lifting Restrictions on Transfers

The restriction on transfer of all of the Allotted Shares shall be lifted at the expiration of the Transfer Restricted Period on the condition that the Subject Directors, etc. continuously hold any of the following positions during the Transfer Restricted Period: director, executive officer, executive officer not concurrently serving as director, corporate auditor, employee, advisor, counselor, or other similar position at the Company or its subsidiary.

- (3) Treatment in the event that the Subject Directors, etc. resign or retire due to the expiration of their term of office, mandatory retirement age, or other justifiable reasons during the Transfer Restricted Period

- (i) Time of Lifting Restrictions on Transfers

In the event that the Subject Directors, etc. resign or retire from any of the positions of director, executive officer, executive officer not concurrently serving as director, corporate auditor, employee, advisor, counselor, or any other similar position at the Company or its subsidiary due to expiration of term of office, mandatory retirement age, or other justifiable reason, the restriction on transfer of shares shall be lifted on the later of the date of the resignation or retirement date of the Subject Directors, etc., or three months after the end of the fiscal year that includes the date of delivery of the stocks.

- (ii) Number of shares subject to lifting of transfer restrictions

The number of shares of the Allotted Shares held by the Subject Director, etc. at the time of such retirement or

resignation as specified in the (i) above multiplied by the number obtained by dividing the period of service (in months) during the Transfer Restricted Period of the Subject Directors, etc. by 12 (if such number exceeds 1, the number shall be 1) (if the calculation results in a fraction less than one share, such fraction shall be rounded down).

(4) Acquisition by the Company without consideration

The Company shall naturally acquire without consideration any of the Allotted Shares of which transfer restriction is not lifted at the time of expiration of the Transfer Restricted Period or at the time of lifting of the Restriction on Transfer as set forth in (3) above.

(5) Treatment in organizational restructuring, etc.

If, during the Transfer Restricted Period, a merger agreement under which the Company shall become a defunct company, a share exchange agreement or a share transfer plan under which the Company shall become a wholly owned subsidiary, or any other matters relating to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (if approval by a general meeting of shareholders is not required for such organizational restructuring, etc., approval by the Board of Directors of the Company), part or all of the Allotted Shares may be lifted of the transfer restriction at a date immediately before the business day prior to the effective date of the restructuring, etc. by the resolution of the Board of Directors. Number of shares to be lifted of the transfer restriction will be calculated by multiplying the number of Allotted Shares held at that time by the number obtained by dividing the number of months from the beginning of the Transfer Restricted Period to the month including the date of such approval by 12 (if such number exceeds 1, the number shall be 1) (if the calculation results in a fraction less than one share, such fraction shall be rounded down). In addition, the Company shall naturally acquire without consideration all of the Allotted Shares that have not been lifted of the transfer restriction as of the time immediately following the lift of the transfer restriction.

(6) Stock Management

The Allotted Shares shall be managed in an exclusive account opened by the Subject Directors, etc. at Nomura Securities Co., Ltd. during the Transfer Restricted Period so that the Allotted Shares may not be transferred, pledged as collateral or otherwise disposed of during the Transfer Restricted Period. In order to ensure the effectiveness of the restrictions on the transfer, etc. of the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the account for the Allotted Shares held by each of the Subject Directors, etc. In addition, the Subject Directors, etc. shall agree to the details of the management of such account.

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

The New Share Issuance to the Scheduled Allottee will be made with the monetary compensation claims paid as the Remuneration with Transfer Restricted Stocks for the Company's 27th fiscal year under the Plan as the contribution assets. The issue price is set at 1,210 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on April 24, 2025 (the business day prior to the date of the Board of Directors' resolution) in order to eliminate arbitrariness. This is the market share price immediately prior to the date of the Board of Directors' resolution, which we believe is reasonable and does not constitute a particularly favorable price.