



June 24, 2025

To whom it may concern:

Company name: SEIREN CO., LTD.
 Name of Representative: Tatsuo Kawada,
 Representative Director, Chairman and C.E.O.
 (Securities code: 3569; Prime Market TSE)
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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation for Directors and Executive Officers of the Company and Its Subsidiaries

SEIREN CO., LTD. (the “Company”) hereby announces that, at the meeting of the Board of Directors held today, it has resolved to dispose of its treasury shares as restricted stock compensation (the “Disposition of Treasury Shares”) as described below.

1. Outline of the Disposal

| | | | |
|---|---|---------------------|------------------|
| (1) Payment date | July 24, 2025 | | |
| (2) Class and number of shares to be disposed of | 128,000 shares of common stock of the Company | | |
| (3) Disposal price | 2,296 yen per share | | |
| (4) Total disposal price | 293,888,000 yen | | |
| (5) Recipients of the treasury shares to be disposed of (allottees of shares) | | Number of allottees | Number of shares |
| | Directors of the Company (excluding Outside Directors) | 4 | 77,000 shares |
| | Executive Officers of the Company | 13 | 38,000 shares |
| | Directors and Executive Officers of the Company’s subsidiaries | 4 | 13,000 shares |
| (6) Other | Regarding the Disposition of Treasury Shares, an Extraordinary Report in accordance with the Financial Instruments and Exchange Act has been filed. | | |

2. Purpose and Reason for the Disposal

At the meeting of the Board of Directors held on May 12, 2022, the Company resolved to introduce a new compensation system for its directors (excluding outside directors; the same shall apply hereinafter), including those

who may be appointed in the future. The purpose of this Restricted Stock Compensation Plan (the “Plan”) is to provide incentives aimed at promoting the sustainable enhancement of the Seiren Group’s corporate value and to further align the interests of directors with those of shareholders. At the 153rd Ordinary General Shareholders’ Meeting held on June 24, 2025, approval was obtained for the following matters: Under the Plan, a monetary compensation claim of up to 400 million yen per year will be granted to directors as a contribution in kind for the allocation of restricted stock, separate from the existing monetary compensation framework for directors; the total number of shares of common stock of the Company to be issued or disposed of under the Plan shall not exceed 170,000 shares per year; the transfer restriction period for the restricted stock shall begin on the date of delivery and continue until the date the director loses all positions as a director of the Company or other positions as determined by the Board of Directors. However, if the director loses such positions within three months after the end of the fiscal year in which the shares were delivered, and if a separate date is determined by the Board of Directors within six months after the end of that fiscal year, the restriction shall remain in effect until such date.

The outline of the Plan is as follows:

<Outline of the Plan>

Under the Plan, directors of the Company shall contribute in kind the entire amount of the monetary compensation claims granted by the Company, and in return, shall receive an issuance or disposal of shares of the Company’s common stock.

The total number of shares of common stock to be issued or disposed of under the Plan shall not exceed 170,000 shares per year. 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 Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (or the closing price on the most recent trading day prior to that date if no trading occurred on that day), within a range that is not particularly advantageous to the directors receiving the allocation.

In addition, upon the issuance or disposal of shares of common stock under the Plan, the Company shall enter into a restricted stock allotment agreement with each director receiving the allocation. The agreement shall include, among other things, the following provisions:

- 1) The allocated shares of the Company’s common stock may not be transferred, pledged, or otherwise disposed of during a predetermined period.
- 2) In the event that certain conditions are met, the Company shall acquire the relevant shares of common stock without compensation.

Subject to the approval at the General Shareholders’ Meeting regarding the determination of compensation for granting restricted stock compensation to the Company’s directors as described above, the Company has introduced a similar restricted stock compensation plan for its executive officers, as well as for directors and executive officers of its subsidiaries.

Taking into consideration the purpose of the Plan, the Company’s performance, the scope of responsibilities of each eligible recipient, and other relevant factors, the Company has resolved at today’s meeting of the Board of

Directors to grant a total of 128,000 shares of the Company's common stock (the "Allotted Shares") by way of contribution in kind totaling 293,888,000 yen in aggregate (the amount of the monetary compensation claim to be contributed per share is 2,296 yen). This includes monetary compensation claims to be granted to four directors of the Company, thirteen executive officers of the Company, and four directors and executive officers of the Company's subsidiaries (collectively referred to as the "Eligible Recipients").

<Outline of the Restricted Stock Allotment Agreement>

The Company will enter into individual Restricted Stock Allotment Agreements (the "Allotment Agreement") with each Eligible Recipient. The key terms of the Allotment Agreement are as follows:

(1) Transfer Restriction Period

The Eligible Recipient shall not transfer, pledge, or otherwise dispose of the Allotted Shares during the period from July 24, 2025 (the payment date) until the date on which the recipient no longer holds any position as a director or executive officer of the Company or as a director or executive officer of any of the Company's subsidiaries (the "Transfer Restriction Period").

(2) Conditions for Lifting of Transfer Restrictions

Provided that the Eligible Recipient continuously holds a position as a director or executive officer of the Company, or as a director or executive officer of any of the Company's subsidiaries, during the period from July 24, 2025 (the payment date) until the conclusion of the Ordinary General Shareholders' Meeting to be held in the following year (the "Service Period"), the transfer restrictions on all of the Allotted Shares shall be lifted at the end of the Transfer Restriction Period. However, if the Eligible Recipient loses such position during the Service Period due to death or other reasons deemed legitimate by the Board of Directors of the Company, the transfer restrictions shall be lifted at the end of the Transfer Restriction Period for a number of the Allotted Shares calculated by multiplying the total number of the Allotted Shares by the number obtained by dividing the number of months from July 2025 to the month in which the loss of position occurred by 12 (provided that if the result exceeds 1, it shall be deemed as 1). Any fractional shares resulting from this calculation shall be rounded down.

(3) Acquisition by the Company without Compensation

The Company shall automatically acquire, without compensation, any Allotted Shares for which the transfer restrictions have not been lifted at the end of the Transfer Restriction Period or at any other prescribed time as stipulated in the agreement.

(4) Management of Shares

During the Transfer Restriction Period, the Allotted Shares shall be managed in a dedicated account for restricted stock opened by the Eligible Recipient at Daiwa Securities Co. Ltd., in order to prevent any transfer, pledge, or other disposition of the shares during such period.

(5) Treatment in the Event of Organizational Restructuring, etc.

If, during the Transfer Restriction Period, a matter related to an organizational restructuring, such as a merger agreement under which the Company becomes the dissolving entity, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other similar restructuring, is approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company, if shareholder approval is not required), then, by resolution of the Board of Directors, the transfer restrictions shall be lifted immediately prior to the close of business on the business day preceding the effective date of such restructuring. The restrictions shall be lifted for a number of the Allotted Shares calculated by multiplying the total number of the Allotted Shares by the number obtained by dividing the number of months from July 2025 to the month including the effective date of the restructuring by 12 (provided that if the result exceeds 1, it shall be deemed as 1). Any fractional shares resulting from this calculation shall be rounded down.

3. Basis and Details of the Payment Amount Calculation

This disposal of treasury shares is conducted under the Plan, with monetary compensation claims granted to the allottees serving as contributions in kind. To eliminate arbitrariness in determining the payment amount, the per-share payment amount has been set at 2,296 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on June 23, 2025 (the business day immediately preceding the date of the Board of Directors resolution). This price reflects the market value immediately prior to the Board of Directors resolution date, and in the absence of any special circumstances indicating that the recent share price is unreliable, it is considered a reasonable value that appropriately reflects the Company's corporate value. Therefore, it is not deemed to be particularly advantageous to the Eligible Recipients.

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