



March 25, 2026

To whom it may concern

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Notice Concerning Issuance of New Shares as Restricted Share-Based Remuneration

Densan System Holdings Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to issue new shares (the "New Share Issuance" or the "Issuance") as described below.

1. Overview of issuance

(1)	Due date of payment	April 17, 2026
(2)	Class and number of shares to be issued	2,336 common shares of the Company
(3)	Amount to be paid in per share	¥2,822 per share
(4)	Total amount of issuance	¥6,592,192
(5)	Recipients of allotment of shares, number of recipients, and number of shares to be allotted	Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) of the Company 4 persons, 2,336 shares

2. Purpose and reason for issuance

At a meeting of the Board of Directors held on February 16, 2022, the Company resolved to introduce a restricted share-based remuneration plan (the "Plan") for the purpose of providing Directors of the Company, excluding Directors who are Audit and Supervisory Committee Members and outside Directors, (the "Eligible Directors") with incentives to continuously improve the corporate value of the Company and to further promote value sharing with shareholders. In addition, at the 1st Annual General Meeting of Shareholders held on March 25, 2022, matters were approved under the Plan, including that the Company would provide monetary claims of up to ¥80 million per year to the Eligible Directors as monetary remuneration to be used as properties

contributed for acquisition of restricted shares (the "Restricted Share-based Remuneration") and issue or dispose of up to 40,000 common shares of the Company per year per year, and set the transfer restriction period for the restricted shares to a period between three and 30 years that would be determined by the Board of Directors of the Company.

The overview, etc. of the Plan are as follows.

[Overview, etc. of the Plan]

The Eligible Directors shall pay in, as properties contributed in kind, all of the monetary claims provided by the Company under the Plan and will receive common shares of the Company issued or disposed of. 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 shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or the closing price of the immediately preceding trading day if no trading was effected on that date) within the extent that the amount is not particularly favorable to the Eligible Directors who will receive the common shares.

In addition, for the issuance or disposal of common shares of the Company under the Plan, a restricted share allotment agreement shall be executed between the Company and the Eligible Director, which shall include the following terms: (i) the Eligible Director shall, for a certain period, be prohibited from transferring to a third party, establishing a security interest in, or otherwise disposing of the common shares of the Company allotted under the restricted share allotment agreement, and (ii) the Company shall acquire the common shares without consideration if a certain event has occurred.

This time, taking into consideration the purpose of the Plan, the Company's business conditions, the scope of each Eligible Director's responsibilities and various circumstances, the Company has decided to grant monetary claims totaling ¥6,592,192 (the "Monetary Claims") and 2,336 common shares with the aim of further motivating each Eligible Director. In addition, in order to realize over the medium to long term the purpose for introducing the Plan, which is to share shareholder value, the transfer restriction period has been set to 30 years for this time.

For the New Share Issuance, the four Eligible Directors who are scheduled allottees will pay in all of the Monetary Claims against the Company as properties contributed in kind and be allotted common shares of the Company (the "Allotted Shares") under the Plan. The overview of the restricted share allotment agreement (the "Allotment Agreement") to be executed between the Company and the Eligible Director in connection with the New Share Issuance is as described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

April 17, 2026 (the "Due Date of Payment") to April 16, 2056

(2) Conditions for lifting transfer restriction

The transfer restriction on all of the Allotted Shares shall be lifted at the expiration of the transfer restriction period on the condition that, during the transfer restriction period, the Eligible Director has

continuously held any of the positions of Director, Executive Officer, Corporate Officer not concurrently serving as Director, an employee, Advisor, and Counselor, or any other equivalent position, at the Company or its subsidiary.

- (3) Treatment in the event that the Eligible Director retires or resigns due to expiration of the term of office, mandatory retirement age, or any other justifiable reason during the transfer restriction period
- (i) Time to lift transfer restriction

If the Eligible Director entirely resigns or retires from any of the positions of Director, Executive Officer, Corporate Officer not concurrently serving as Director, an employee, Advisor, and Counselor, or any other equivalent position, at the Company or its subsidiary due to expiration of the term of office, mandatory retirement age, or any other justifiable reason (including resignation or retirement due to death) during the transfer restriction period, the transfer restriction shall be lifted immediately following the retirement or resignation of the Eligible Director.

- (ii) Number of shares subject to the lifting of transfer restriction

The number of shares shall be “the number of shares of the Allotted Shares held at the time of the retirement or resignation as set forth in (i) above” times a value obtained by dividing “the number of months from the month including the Due Date of Payment to the month including the date of retirement or resignation of the Eligible Director” by 12 (if the obtained value exceeds 1, the value shall be set to 1) (if the calculation result includes a fraction less than one share, the fraction shall be rounded down).

- (4) Acquisition by the Company without consideration

The Company shall, as a matter of course, acquire without consideration any of the Allotted Shares for which the transfer restriction is not lifted at the time of expiration of the transfer restriction period or at the time to lift the transfer restriction as provided in (3) above.

- (5) Treatment in reorganization or similar event

If, during the transfer restriction period, a merger agreement under which the Company shall become a defunct company, a share exchange agreement or share transfer plan under which the Company shall become a wholly owned subsidiary, or any other matter relating to reorganization or a similar event is approved at a general meeting of shareholders of the Company (or a meeting of the Board of Directors of the Company if approval by a general meeting of shareholders of the Company is not required for the reorganization or similar event), the transfer restriction on shares, the number of which is “the number of the Allotted Shares held as of such time” times a value obtained by dividing “the number of months from the month including the Due Date of Payment to the month including the date of the resolution” by 12 (if the obtained value exceeds 1, the value shall be set to 1) (if the calculation result includes a fraction less than one share, the fraction shall be rounded down), shall be lifted at the time immediately preceding the business day immediately prior to the effective date of the reorganization or similar event. In addition, the Company shall, as a matter of course, acquire without consideration all of the Allotted Shares from which the transfer restriction has not been lifted by the time immediately following the lifting of the transfer restriction.

- (6) Management of shares

The Allotted Shares shall be managed during the transfer restriction period in an exclusive account

opened at Nomura Securities Co., Ltd. by the Eligible Director so that the Allotted Shares may not be transferred, pledged as collateral, or otherwise disposed of during the restricted transfer period. In order to ensure the effectiveness of the transfer restriction, etc. on 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 Eligible Directors. In addition, the Eligible Director 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 allottees shall be made with monetary claims, provided as Restricted Share-based Remuneration for the Company's 6th fiscal year under the Plan, used as contributed properties. The amount to be paid in per share has been set at ¥2,822, the closing price of the Company's common share on the Tokyo Stock Exchange on March 24, 2026 (the business day preceding 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 the Company believes is reasonable and does not constitute a particularly favorable price.