

February 12, 2026

Corporate Name	Japan Business Systems, Inc.
Representative	Yukihiro Makita, President & CEO (TSE Prime Code: 5036)
Contact	Kohei Katsuta, Managing Executive Officer and Director & CFO (TEL: +81-3-6778-7336)

Announcement Regarding the Disposal of Treasury Shares as Stock Compensation

We hereby announce that, at a meeting of the Board of Directors held on February 12, 2026, we resolved to conduct a disposal of treasury shares (hereinafter referred to as the "Disposal of Treasury Shares") as stock compensation, as follows:

(Details)

1. Details of the Disposal

(1) Disposal date	March 2, 2026
(2) Type and number of shares being disposed	300,000 shares of common stock
(3) Disposal price	1,586 yen per share
(4) Total disposal amount	475,800,000 yen
(5) Scheduled allottee	The Master Trust Bank of Japan, Ltd. (Board Incentive Plan (BIP) Trust Account)
(6) Other	Regarding this disposal of treasury shares, an Extraordinary Report has been submitted in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposal

To clarify the link between the compensation of Directors (excluding Directors who are Audit and Supervisory Committee Members, Outside Directors, and non-residents of Japan; the same applies hereinafter) and our share value, and to increase their motivation to contribute to the improvement of medium- to long-term business performance by sharing with shareholders the benefits and risks of share price fluctuations, we have resolved to introduce the "Board Incentive Plan (BIP) Trust" (hereinafter referred to as the "BIP Trust") for our Directors.

For an overview of the BIP Trust, please refer to the "Notice Regarding the Introduction of a Stock-Based Compensation Plan for Directors" released on November 21, 2025.

This disposal of treasury shares is to be issued to The Master Trust Bank of Japan, Ltd. (Board Incentive Plan (BIP) Trust Account). The bank serves as the co-trustee of the Board Incentive Plan (BIP) Trust Agreement (hereinafter referred to as the "Trust Agreement"; the trust established pursuant to the Trust Agreement shall be referred to as the "Trust") to be entered into between the Company and Mitsubishi UFJ Trust and Banking Corporation in connection with the introduction of the BIP Trust. (For the name of the allottee, please refer to 1. (5) above.)

The number of shares to be disposed of corresponds to the number of shares expected to be granted to Directors during the trust period in accordance with the Share Delivery Rules. The scale of dilution will be 0.62% of the total number of issued shares, which stands at 48,366,400 shares (0.63% of the total 477,731 voting rights as of September 30, 2025; ratios are rounded to the second decimal place).

The shares of the Company allocated through this disposal of treasury shares are to be granted to Directors in accordance with the Share Delivery Rules. Since the shares from this disposal are not expected to be released into the stock market all at once, we believe the impact on the secondary market will be negligible and that the number of shares to be disposed of and the scale of dilution are reasonable.

<Overview of the Trust Agreement>

(1) Type of Trust	Money trust other than specified individually managed money trust (third-party benefit trust)
(2) Purpose of Trust	Providing incentives to directors
(3) Settlor	The Company
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries	Directors who meet the beneficiary requirements
(6) Trust administrator	A third party with no conflict of interest with the Company
(7) Trust Agreement Date	February 25, 2026 (planned)
(8) Trust Period	From February 25, 2026, to the end of February 2031 (planned)
(9) Plan Commencement Date	February 25, 2026 (planned)
(10) Exercise of Voting Rights	Will not be exercised

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

Regarding the disposal price, in light of recent stock price trends and to ensure a price that eliminates arbitrariness, we have complied with the Guidelines Concerning the Handling of Third-Party Allotment of New Shares issued by the Japan Securities Dealers Association. Accordingly, the price has been set at 1,586 yen, which was the closing price of our common stock on the Tokyo Stock Exchange (hereinafter referred to as TSE) on the business day immediately preceding the date of the Board of Directors' resolution regarding this disposal of treasury shares (February 10, 2026). We decided to adopt the closing price from the business day preceding the Board resolution because it represents the market price immediately prior to the resolution, and we have determined it to be objective and reasonable as a basis for calculation.

Regarding the aforementioned disposal price, all three Directors who are members of the Company's Audit and Supervisory Committee (all of whom are Outside Directors) have expressed their opinion that the basis for calculating the disposal price is reasonable and does not constitute a particularly favorable price, and is therefore lawful.

4. Procedures under the Code of Corporate Conduct

Since the dilution ratio of the shares in this matter is less than 25% and there is no change in controlling shareholders, the procedures for obtaining an opinion from an independent third party and confirming the intent of shareholders, as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, are not required.