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To whom it may concern:

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Notice Regarding Issuance of New Shares as Restricted Stock Compensation for Employees

TESS 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”) as restricted stock for employees, as outlined below.

1. Outline of the Issuance

(1) Payment date	June 24, 2026
(2) Class and the number of shares to be issued	114,100 shares of the Company’s common shares
(3) Issue price	908 yen per share
(4) Total amount of issuance	103,602,800 yen
(5) Scheduled allottees	25 employees of the Company 26,600 shares 102 employees of the Company’s subsidiaries 87,500 shares
(6) Other	The Company has submitted an extraordinary report on the New Share Issuance in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the Issuance

The Company and the Company’s subsidiaries resolved to grant monetary claims in a total amount of 103,602,800 yen to 127 employees of the Company and the Company’s subsidiaries (the “Eligible Employees”), and the Company resolved to have those claims contributed in kind in exchange for the issuance of 114,100 shares of the Company’s common shares as restricted stock to the Eligible Employees, with the aim of providing incentives for employees of the Company and the Company’s subsidiaries to strive for the sustainable enhancement of the Company’s corporate value while further promoting sharing value with shareholders.

Shares will be allotted only to the Eligible Employees who wish to subscribe to them.

<Overview of restricted stock allotment agreement>

In conjunction with the New Share Issuance, the Company will individually enter into a restricted stock allotment agreement (the “Allotment Agreement”) with the Eligible Employees, and the overview is as follows.

(1) Transfer restriction period

From June 24, 2026 (the payment date) until June 30, 2030, the Eligible Employees shall not transfer, create security interests over, or otherwise dispose of the shares allotted to them under the Allotment Agreement (the “Allotted Shares”).

(2) Conditions for lifting of transfer restrictions

The transfer restrictions on all of the Allotted Shares shall be lifted upon the expiration of the transfer restriction period, provided that the Eligible Employee continuously remains in the position of either an employee of the Company or a director or employee of a subsidiary of the Company during the transfer restriction period. However, if the Eligible Employee ceases to hold all positions as an employee of the Company or as a director or employee of a subsidiary of the Company during the transfer restriction period due to death, expiration of the employment period (provided that, in the case of reemployment after mandatory retirement, expiration of such reemployment period), or any other reason deemed justifiable by the Company, the transfer restrictions shall be lifted, effective as of the day immediately following the date of such resignation or retirement, with respect to the number of the Allotted Shares obtained by multiplying the number of the Allotted Shares by a fraction equal to the number of months from the month following the month including the payment date through the month including the date of such resignation or retirement, divided by 49 (provided that if the result exceeds 1, it shall be deemed to be 1) (provided, further, that any fraction of less than one share resulting from the calculation shall be rounded down).

(3) Acquisition by the Company without consideration

The Company shall automatically acquire without consideration any Allotted Shares for which the transfer restrictions have not been lifted as of the expiration of the transfer restriction period or as of the day immediately following the date on which the Eligible Employee ceases to hold all positions as an employee of the Company or as a director or employee of a subsidiary of the Company during the transfer restriction period.

(4) Management of shares

The Allotted Shares shall be managed during the transfer restriction period in a dedicated account for restricted stock opened by the Eligible Employees with Daiwa Securities Co. Ltd. so that the shares cannot be transferred, have security interests created over them, or otherwise be disposed of during the transfer restriction period.

(5) Treatment in the event of organizational restructuring

If, during the transfer restriction period, a merger agreement under which the Company becomes the non-surviving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or matters relating to any other organizational restructuring, etc., are approved at a general meeting of shareholders of the Company (or, where approval by a general meeting of shareholders of the Company is not required for such organizational restructuring, etc., by the Board of Directors of the Company), the transfer restrictions shall, by resolution of the Board of Directors of the Company, be lifted immediately prior to the business day preceding the effective date of such organizational restructuring, etc. with respect to the number of the Allotted Shares obtained by multiplying the number of the Allotted Shares then held by a fraction equal to the number of months from the month following the month including the payment date through the month including the date of approval of the organizational restructuring, divided by 49 (provided that if the result exceeds 1, it shall be deemed to be 1) (provided, further, that any fraction of less than one share resulting from the calculation shall be rounded down).

3. Basis for calculation of the paid-in amount and specific details

The New Share Issuance is to be conducted by way of contribution in kind of monetary claims granted to the scheduled allottees, and the paid-in amount is set at 908 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on June 8, 2026 (the business day preceding the date of the Board of Directors resolution), in order to eliminate arbitrariness in pricing. This represents the market price immediately prior to the date of the Board of Directors resolution and, in the absence of any special circumstances indicating that reliance on the recent market price would be inappropriate, it is considered a reasonable value that properly reflects the corporate value of the Company and does not constitute a particularly favorable price for the Eligible Employees.