



## **2. Purpose and reason for Disposal**

### **(1) Restricted stock remuneration for directors**

At the meeting of its Board of Directors held on May 25, 2023, the Company resolved to introduce a restricted stock remuneration system (hereinafter, the “System”) as a new remuneration system for Eligible Directors (as defined below), with the aim of providing incentives for the Eligible Directors to continuously increase the Company’s corporate value as well as to further promote the sharing of interests with shareholders (the “Purposes”). “Eligible Directors” refers to Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members of the Company and Outside Directors).

Further, at the 129th Annual General Meeting of Shareholders held on June 28, 2023, approval was granted for matters including the following: for the total amount of monetary claims to be granted to Eligible Directors as remuneration for the amount of property to be contributed for the acquisition of restricted stock (the “Restricted Stock Remuneration”) to be no more than 45 million yen per year; for the number of shares of the Company’s common stock that may be issued or disposed of to be no more than 150,000 per year, and for the restricted stock transfer restriction period to extend from the date of allocation of shares of the Company’s common stock pursuant to the restricted stock allocation agreements entered into between the Company and Eligible Directors to immediately after retirement or resignation from such positions as employees or directors of the Company as the Board of Directors may determine in advance.

### **(2) Overview of the System, etc.**

The Eligible Directors shall make contributions in kind of the entirety of the monetary claims granted pursuant to the System in return for the issuance or disposal of shares of the Company’s common stock. The amount payable per share shall be determined by the Board of Directors and shall be within an amount that is not excessively advantageous to the Eligible Director receiving the said shares of common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding (or, in the event that no transactions took place on that day, the trading day immediately preceding the said day) each Board of Directors meeting.

In addition, the Company shall enter into restricted stock allocation agreements with the Eligible Directors governing the issuance and disposal of shares the Company’s common stock pursuant to the System, which shall include matters such as the following: (i) restrictions on Eligible Directors against third-party transfers of, establishment of security interests in, and any other disposals of the shares of the Company’s common stock allocated pursuant to the restricted stock allocation agreement for a specified period, and (ii) the gratis acquisition by the Company of the said shares of common stock in the event of specified causes.

(3) Restricted Stock Remuneration for executive officers

The Company has introduced a delegation-based executive officer system today, as outlined in the Notice Regarding Introduction of a Delegation-based Executive Officer System and Executive Personnel Changes announced on March 31, 2025. With this, the System has been extended to apply to Executive Officers not concurrently serving as Directors of the Company (the “Eligible Executive Officers”, and collectively with the Eligible Directors, the “Eligible Directors, etc.”), in addition to the Eligible Directors.

(4) Details of the grant

Pursuant to the advice and recommendations of the Remuneration and Nomination Advisory Committee, and taking into consideration the Purpose, the Company’s performance, the scope of responsibilities of Eligible Directors, etc., and various circumstances, the Company has decided to grant the remuneration outlined below.

- (i) Eligible Directors: Monetary claims of 17,097,588 yen; 27,666 shares of common stock
- (ii) Eligible Executive Officers: Monetary claims of 7,999,392 yen; 12,944 shares of common stock
- (iii) Total: Monetary claims of 25,096,980 yen (the “Monetary Claims”); 40,610 shares of common stock

In the Disposal of Treasury Shares, the ten (10) Eligible Directors, etc. to whom the shares are to be allocated pursuant to the System shall make contributions in kind to the Company of the entirety of the Monetary Claims and shall receive shares of the Company’s common stock (the “Allocated Stock”). An outline of the restricted stock allocation agreement entered into between the Company and the Eligible Directors, etc. (the “Allocation Agreement”) in relation to the Disposal of Treasury Shares is set forth in 3. below.

### **3. Overview of Allocation Agreement**

(1) Transfer restriction period

The period beginning on July 25, 2025 (the “Date of Disposal”) to immediately after resignation from the positions of director or executive officer of the Company (but excluding resignations that take place concurrently with an appointment or reappointment to the positions of director or executive officer of the Company; the same applies below)

(2) Conditions for removal of restriction on transfer

On condition that the Eligible Directors, etc. continue to hold the positions of director or executive officer of the Company from the Date of Disposal to immediately before the conclusion of the Annual General Meeting of Shareholders immediately following the Date of Disposal (the “Service Period”), the Company shall remove the restriction on transfer of all the Allocated Stock

upon the expiry of the transfer restriction period.

(3) Handling in the event of the expiration of term of office or retirement of Eligible Directors, etc. for justifiable reasons during the Service Period

(i) Time of removal of restriction on transfer

In the event that the Eligible Directors, etc. resign from the positions of director or executive officer of the Company at the expiration of their term of office or for other justifiable reasons (including resignation due to death), the Company will remove the restriction on transfer as of immediately after the said resignation of the Eligible Directors, etc.

(ii) Number of shares in respect of which restriction on transfer shall be removed

The number of shares arrived at by multiplying the number of shares of Allocated Stock held at the time of resignation specified in (i) above by the result of dividing the number of months from the Date of Disposal (including the month of the Date of Disposal) to the date of resignation of the relevant Eligible Director, etc. (including the month of resignation) by twelve (12), being the number of months of the Service Period (and where this division produces a result that exceeds 1, the result shall be deemed to be 1). Provided that any fractional shares produced by this calculation shall be rounded down.

(4) Gratis acquisition by the Company

In cases where the Eligible Directors, etc. resign from the positions of director or executive officer of the Company other than at the expiration of their term of office or for other justifiable reasons, or engage in activities that contravene laws and regulations, or upon the occurrence of certain events specified in the Allocation Agreement, the Company shall automatically make gratis acquisition of the entirety of the Allocated Stock held by the Eligible Directors, etc. at the relevant point of time. In addition, the Company shall automatically make gratis acquisition of the Allocated Stock in respect of which transfer restrictions have not been removed as of the expiry of the transfer restriction period or at the time of removal of the restriction on transfer specified in (3) above.

(5) Handling in the event of organizational restructuring

Where, during the transfer restriction period, a merger agreement in which the Company is the dissolved company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or other items involving organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if no approval regarding the said organizational restructuring, etc. is required at a General Meeting of Shareholders of the Company), the Company shall by way of a resolution of the Board of Directors remove the restriction on transfer with effect from the business day immediately preceding the effective date of the organizational restructuring etc., in respect of such number of

shares of the Allocated Stock arrived at by multiplying the number of shares of Allocated Stock held at the said time by the result of dividing the number of months from the Date of Disposal (including the month of the Date of Disposal) to the date of the said approval (including the month of approval) by twelve (12), being the number of months of the Service Period (and where this division produces a result that exceeds 1, the result shall be deemed to be 1). Provided that any fractional shares produced by this calculation shall be rounded down. Further, the Company shall automatically make gratis acquisition of the entirety of the Allocated Stock in respect of which transfer restrictions have not been removed as of immediately after the restriction on transfer has been removed.

(6) Management of shares

During the transfer restriction period, the Allocated Stock shall be managed in a dedicated account opened with Nomura Securities Co., Ltd. by the Eligible Directors, etc. so as to prevent the transfer, establishment of security interests, or other disposal of the Allocated Stock during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions, etc. in respect of the Allocated Stock, the Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the management of accounts for holding the Allocated Stock of each of the Eligible Directors, etc. Further, the Eligible Directors, etc. have agreed to the arrangements concerning the management of the said accounts.

**4. Basis for calculation of and details of amount to be paid per share**

The Disposal of Treasury Shares to the intended recipients of the allocation is property to be contributed for monetary claims granted as Restricted Stock Remuneration pursuant to the System for the 132nd fiscal year. To eliminate arbitrariness from the price, the Disposal price shall be 618 yen, being the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June 25, 2025 (being the business day immediately preceding the date of the resolution passed at the meeting of the Board of Directors). The Company considers this to be a reasonable price and not excessively advantageous, being the market price of the Company's common stock as of immediately prior to the date of the resolution passed at the meeting of the Board of Directors.