



June25, 2025

For Immediate Release

Company name: Forum Engineering Inc.
(Code: 7088, Prime Market of TSE)
Representative Director,
Representative: President and Chief Executive Officer Tsutomu Sato
Senior Executive Officer
Contact: Public Relations and Investor Relations Dept. Nobuyuki Chiba
Phone: +81-3-3560-5505

Notice of Disposal of Treasury Shares Under Restricted Stock Unit Plan

Forum Engineering Inc. (the “Company”) announces that the Company’s Board of Directors meeting held on June 25, 2025, resolved to dispose of treasury share (the “Disposal of Treasury Share”).

1. Overview of Disposal

(1) Allotment Date	July 23, 2025
(2) Class and Number of Shares to be Disposed	52,135 shares of Forum Engineering Inc.’s common stock
(3) Disposal Price	1,187 yen per share
(4) Total Disposal Price	61,884,245 yen
(5) Recipients of allocation and the numbers thereof; numbers of shares to be disposed	- 2 Directors (excluding Directors who are Audit and Supervisory Committee Members, non-domestic residents and Outside Directors): 28,769 shares - 1 Director who is an Audit and Supervisory Committee Member (excluding Outside Director): 1,680 shares - 13 Executive Officers not serving concurrently as Directors: 21,686 shares
(6) Others	Regarding the disposal of treasury stock, the Company has not submitted a securities notification in accordance with Article 4, Paragraph 1, Item 1 of the Financial Instruments and Exchange Act and Article 2-12, Item 1 of the Enforcement Order of the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposal

At a meeting of the Board of Directors held on May 13, 2021, the Company resolved to introduce restricted stock compensation plan (the “Plan”) for the purpose of providing incentives to Directors, excluding outside Directors, and Executive Officers who do not concurrently serve as Directors of the Company to continuously enhance the Company’s corporate value and to further promote value sharing with shareholders. At the 41st Annual General Meeting of Shareholders held on June 24, 2021, the Company obtained the approval of the following: (1) The total annual amount of monetary compensation claims up to 200 million yen shall be paid as compensation to be used as capital contribution for the acquisition of restricted stock (the “Restricted Stock Compensation”) to the eligible Directors under the Plan, (2) the total number of shares of common stock of the Company to be issued or disposed of as the Restricted Stock Compensation shall not exceed 150,000 shares per year (the maximum total number of shares of common stock of the Company to be issued or disposed of shall be limited to 300,000 shares per year following the share split effective December 1, 2023), (3) the transfer restriction period shall be a period between three years and 30 years, as determined by the Company’s Board of Directors.

In addition, at the 44th Annual General Meeting of Shareholders held on June 25, 2024, the following matters were approved: (1) the total annual amount of monetary compensation claims up to 200 million yen shall be paid to the Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) after the transition to a company with an Audit and Supervisory Committee, (2) the total number of shares of common stock of the Company to be issued or disposed of as the Restricted Stock Compensation for the Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) shall not exceed 300,000 shares per year,

(3) the total annual amount of monetary compensation claims up to 20 million yen shall be paid to the Directors who are Audit and Supervisory Committee Members (excluding Outside Directors), (4) the total number of shares of common stock of the Company to be issued or disposed of as the Restricted Stock Compensation for the Directors who are Audit and Supervisory Committee Members (excluding Outside Directors) shall not exceed 300,000 shares per year, (5) the transfer restriction period shall be a period between three years and 30 years, as determined by the Company's Board of Directors. (Hereafter, Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), Directors who are Audit and Supervisory Committee Members (excluding Outside Directors) and Executive Officers who do not concurrently serve as Directors are collectively referred to as "Eligible Directors, etc.")

The following is an overview of the Plan.

[Outline of the Plan]

Under the Plan, the Eligible Directors, etc. will make in-kind contributions of all the monetary compensation claims to be granted from the Company and in return receive the Company's common shares that will be issued or disposed of by the Company. The amount to be paid in per share will be determined by the Board of Directors to the extent that the amount will not be particularly advantageous to the Eligible Directors, etc. who subscribe to the Company's common shares based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day before the date of each resolution of the Board of Directors (if the trade is not made on that day, the closing price on the trading day immediately prior to that day).

In addition, when the Company's common stock is issued or disposed of based on the Plan, an allotment agreement of shares with restrictions on transfer will be concluded between the Company and the Eligible Directors, etc. and its contents will include the following: (1) the Eligible Directors, etc. are prohibited from transferring to a third party, creating a security right on or otherwise disposing of the Company's common stock the allotment of which they received based on the allotment agreement of shares with restrictions on transfer for a certain period of time; and (2) if certain circumstances have arisen, the Company shall acquire the common stock without consideration.

In the Disposition of Treasury Shares, 16 Eligible Directors, etc. who are the scheduled recipients of the allotment will pay all the Monetary Claims to the Company as the property contributed in kind and receive the Disposition of the Company's common stock (the "Allotted Shares") based on the Plan. The overview of the allotment agreement of shares with restrictions on transfer to be concluded between the Company and the Eligible Directors, etc. in the Disposition of Treasury Shares (the "Allotment Agreement") is as described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From July 23, 2024 (the "Disposition Date") to July 22, 2034

(2) Condition for lifting transfer restrictions

The restrictions on transfer will be lifted for all the Allotted Shares at the time when the transfer restriction period expires on the condition that Eligible Directors, etc. hold either the position of director, executive officer, executive officer who does not concurrently serve as a director, corporate auditor, employee, consultant, or advisor in the Company or its subsidiary or the position equivalent to these on a continuing basis during the transfer restriction period.

(3) Handling in cases where the Eligible Directors, etc. resign or retire during the transfer restriction period due to the expiration of their term of office, mandatory retirement age or any other due cause

(i) Time when transfer restrictions are lifted

If the Eligible Directors, etc. resigns or retires from any of the positions of Director, Executive Officer, Executive Officer not concurrently serving as Director, Corporate Auditor, employee, advisor, counselor or any other similar positions of the Company or its subsidiaries due to expiration of term of office or retirement age or any justifiable reason (including resignation or retirement due to death), the transfer restrictions shall be lifted immediately after such resignation or retirement of the Eligible Director, etc.

(ii) Number of shares subject to the lifting of transfer restrictions



The number of shares subject to the lifting of transfer restrictions shall be the number of shares obtained by multiplying the number of the Allotted Shares held at the time of such retirement or resignation as set forth in (i) above by the number of shares obtained by dividing the number of months from the month including the Disposition Date (in the case of an executive officer who does not concurrently serve as a director of the Company, the month including the first day of this fiscal year) to the month including the date of retirement or resignation of the Eligible Director, etc. by 12 (if the result of the division exceeds 1, it will be 1). (however, if a fraction of less than one share arises because of calculation, this will be truncated).

(4) Acquisition without contribution by the Company

The Company will automatically acquire the Allotted Shares for which the restriction on transfer is not lifted at the time when the transfer restriction period expires or when the restriction on transfer is lifted as specified in (3) above without consideration.

(5) Measures to be taken in relation to organizational restructuring, etc.

If a merger agreement in which the Company will become the disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary or any other matter concerning organizational restructuring is approved at a general meeting of shareholders of the Company (however, if approval at a general meeting of shareholders of the Company is not needed, the Board of Directors of the Company), the restriction on transfer will be lifted by the resolution of the Board of Directors just before the business day preceding the day when the organizational restructuring goes into effect for the number of shares obtained by multiplying the Allotted Shares owned at that point in time by the number obtained by dividing the number of months from the month including the Disposition Date (in the case of an executive officer who does not concurrently serve as a director of the Company, the month including the first day of this fiscal year) to the month that includes the date of the approval by 12 (if the result of the division exceeds 1, it will be 1) (however, if a fraction of less than one share arises as a result of calculation, this will be truncated). In addition, the Company will automatically acquire all the Allotted Shares for which the restriction on transfer is not lifted immediately after the restriction on transfer is lifted without consideration.

(6) Management of shares

The Allotted Shares are managed in a dedicated account opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. during the transfer restriction period so that the Eligible Directors, etc. will be unable to execute a transfer, create a security right or dispose of them during the transfer restriction period. The Company has entered a contract with Nomura Securities Co., Ltd. for the management of the accounts of the Allotted Shares owned by the Eligible Directors, etc. to ensure the effectiveness of the restriction on transfer of the Allotted Shares. The Eligible Directors, etc. shall agree on the management of the account.

4. Calculation basis of payment amounts and relevant details

The Disposition of Treasury Shares to the scheduled recipients is conducted by using as the property contributed the monetary claims granted as the restricted stock compensation for the 46th fiscal year under the Plan. The disposal price is set at 1,187 yen, which is the closing price of the Company's common stock in the Prime Market of the Tokyo Stock Exchange on June 24, 2025 (business day preceding the date of resolution of the Board of Directors), to make the disposal price is a price that eliminates arbitrariness. This is the market share price immediately before the date of resolution of the Board of Directors, and the Company believes that it is reasonable and does not fall under a price that is particularly favorable.

End