



June 26, 2025

To whom it may concern

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 Representative Hiroshi Otsuka, President and CEO
 (Securities Code 7220 TSE Prime/NSE Premier)
 Inquiry Masaru Maeda, Executive Officer
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Notice of Issuance of New Shares as Restricted Stock Compensation

The Company hereby announces that it has resolved to issue new shares (hereinafter as the "Issuance of New Shares".) as restricted stock compensation as follows.

Description

1. Outline of Issuance

(1) Payment date	July 25, 2025
(2) Class and number of shares to be issued	25,100 shares of the Company's common stock
(3) Issuance price	2,857 yen per share
(4) Total amount of issuance	71,710,700 yen
(5) Allottees, number of allottees, and the number of shares to be allotted	<p>The Company Director: (excluding Directors who are Audit & Supervisory Committee Members) 6 15,700 shares (including Outside Directors: 4 5,600 shares) Executive Officers who do not concurrently serve as Directors: 13 9,400 shares</p>
(6) Other	

2. Purpose of and Reason for the Issuance

At the meeting of the Board of Directors of the Company held on May 10, 2017, the Company resolved to introduce a new restricted stock compensation plan (hereinafter the "Plan") to incentivize Directors who are not Audit and Supervisory Committee Members of the Company and Executive Officers who do not concurrently serve as Directors of the Company (hereinafter referred to as "Eligible Directors, etc.") to enhance the Company's corporate value and bring the interests of the Eligible Directors, etc. into even closer alignment with shareholders. If Eligible Directors, etc. are non-residents, monetary compensation in an amount linked to the share price, etc. of the Company shall be paid to such Eligible Directors, etc. in lieu of the compensation for the grant of restricted stock based on the purpose above. In addition, at the 90th General Meeting of Shareholders of the Company held on June 23, 2017, the Company obtained the approval for the total amount of monetary compensation receivables and monetary compensation

linked to share price, etc. for the grant of restricted stock under the Plan to be no more than 250 million yen per annum (including no more than 40 million yen per annum for Outside Directors), and for the Restriction Period on restricted stock transfer to be three years.

Overview of the Plan is as follows.

The Eligible Directors, etc. will deliver all of the monetary compensation claims provided by the Company under the Plan as assets contributed in kind and will be issued or disposed of common shares of the Company. The total amount of monetary remuneration claims and monetary remuneration linked to stock price, etc. under the Plan to Directors who are not Audit and Supervisory Committee Members of the Company will be no more than 250 million yen per annum (of which no more than 40 million yen per annum shall be paid to Outside Directors). The total number of shares of common stock of the Company to be issued or disposed of under the Plan to Directors who are not Audit and Supervisory Committee Members of the Company shall be no more than 200,000 shares per year, and the amount to be paid in for per such common share shall be determined by the Board of Directors within a range that is not especially beneficial to the Eligible Directors etc. who receive the common shares, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the day of each Board of Directors (if no trades are conducted on that day, then the closing price on the closest preceding trading day).

In addition, upon issuance or disposition of common shares of the Company under the Plan, the Company and the Eligible Directors, etc. shall execute a restricted share allotment agreement as described in "3. Overview of Restricted Stock Allotment Agreement" below (hereinafter referred to as the "Allotment Agreement"), which includes the following matters: (1) for a certain period, the Eligible Directors etc. may not assign, offer as security, or otherwise dispose of the common shares of the Company allocated to them under their restricted stock allocation agreement (hereinafter as the "Allotted Shares"); (2) the transfer restriction period shall be three years from the day on which the Eligible Directors, etc. are allotted common shares of the Company under the Allotment Agreement in order to provide incentives for improving corporate value which is the purpose of introduction of the Plan and promote sharing more value with shareholders; and (3) if a certain event occurs, the Company shall acquire such common shares without consideration.

On the present occasion, at today's the Board of Directors, in consideration of the purposes of the Plan, the Company's business conditions, the scope of the duties of each Eligible Directors etc., and various other circumstances, we have decided to deliver a total of 71,710,700 yen in monetary remuneration claims to the Eligible Directors etc., based on the Plan. In addition, the Company decided to issue 25,100 common shares to the Eligible Directors etc. in exchange for the contribution of the monetary remuneration claims as assets contributed in kind. Such monetary compensation claims will be provided on the condition that each Eligible Director, etc. executes the Allotment Agreement with the Company.

The details of the monetary compensation claims against the Company to be provided to the Eligible Directors, etc. based on the Plan are as shown in the following table.

	Number of employees	Number of shares allotted	Amount to be paid in
Directors (excluding Directors who are Audit & Supervisory Committee Members)	6	15,700 shares	44,854,900 yen
(Outside Directors)	4	5,600 shares	15,999,200 yen
Executive Officers who do not concurrently serve as Directors	13	9,400 shares	26,855,800 yen

3. Overview of Restricted Stock Allotment Agreement

(1) Transfer Restriction Period

The period will be three years from July 25, 2025.

Eligible Directors, etc. may not transfer, create security interests on or otherwise dispose of the Allotted Shares during the transfer restriction period (hereinafter as the "Transfer Restriction Period") as stipulated above.

(2) Conditions for Release of Transfer Restrictions

Subject to the condition that the Eligible Directors etc. are in the position of Directors or Executive Officers of the Company or Directors of subsidiary continuously during the Transfer Restriction Period, the transfer restrictions on all Allocated Shares which the Eligible Directors, etc. hold will be lifted upon the expiration of the Transfer Restriction Period.

Provided, however, that if the Eligible Directors, etc. resign from the position of Director of the Company or the Company's subsidiaries for good reason or due to death during the Transfer Restriction Period, the period from the payment date to such resignation, etc. shall be deemed as the Transfer Restriction Period, and the transfer restrictions will be removed at any time after such resignation that is more than three months after the end of the business year in which the payment date falls and determined by the Board of Directors of the Company to be reasonable.

(3) Gratis Acquisition by the Company

The Company will automatically acquire, without consideration, all the Allotted Shares for which transfer restrictions are not removed at the time of expiration of the Transfer Restriction Period, at the time immediately after such time.

In addition, if the Board of Directors of the Company approves that the Eligible Directors, etc. have breached the Allotment Agreement in a material respect, the Company automatically acquires all or part of the Allotted Shares without consideration.

(4) Management of Shares

During the Transfer Restriction Period, the Allotted Shares will be managed separately from the other shares held by the Eligible Directors in an account dedicated to restricted shares in the names of Eligible Directors established at Nomura Securities Co., Ltd., so that the Allotted Shares cannot be transferred, secured or otherwise disposed of during the Transfer Restriction Period.

(5) Treatment at the Time of Reorganization, etc.

In the case where the Company's General Shareholders Meeting (in the case of an organizational restructuring or the like that does not require approval of the Company's General Shareholders Meeting,

the Company's Board of Directors) approves a merger agreement under which the Company is the disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or other organizational restructuring and the like during the Transfer Restriction Period, then by resolution of the Board of Directors, the transfer restriction will be lifted at the time immediately before the business day preceding the effective date of the reorganization, etc. for the number of the Allotted Shares reasonably determined based on the period from the starting date of the transfer restriction to the date of approval of the reorganization.

In this case, on the business day prior to the effective date of such reorganization, etc., the Company shall automatically acquire, without consideration, all the Allotted Shares for which transfer restrictions have not been removed as of the same date.

4. Basis for Calculation of the Amount to Be Paid in and Details Thereof

With regard to the issue price of the New Shares, in order to exclude arbitrariness, the issue price has been set at 2,857 yen, which is the closing price of the Company common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Board of Directors of the Company (June 25, 2025). This is the market share price immediately prior to the date of resolution of the Board of Directors, and the Company believes that it is reasonable and does not constitute particularly advantageous price.

(Reference)

In lieu of remuneration for granting restricted shares, monetary remuneration linked to the Company's stock price, which has the same economic value as restricted shares, will be paid to Eligible Directors, etc. who are non-residents (two Directors and five Executive Officer). Such monetary remuneration will be paid on the condition that Eligible Directors, etc. enter into an agreement with the Company regarding the payment of monetary remuneration linked to stock prices.

Overview of the Contract for the Payment of Stock Price-Linked Monetary Compensation

(1) In the case of granting the above restricted shares, the Company will pay monetary compensation in an amount linked to the stock price of the Company after the expiration of such period, on the condition that the Eligible Directors, etc. have been in the position of Directors or Executive Officers of the Company or Directors of subsidiaries continuously for three years (hereinafter as "Vesting Period") from the day on which the Company's common shares were delivered (hereinafter as the "Vesting Period Start Date"). The number of shares assumed to be granted (hereinafter referred to as "Units") shall be determined by taking into account the purpose of the Plan, the Company's performance, the scope of duties of each Eligible Directors, etc. and various circumstances in the same way as other Eligible Directors, etc. to whom restricted stock is granted. The monetary amount shall be calculated by multiplying the Units by the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the final day of the Vesting Period.

Provided, however, that if the Eligible Directors, etc. resign or retire from their positions set forth above before the expiration of such period for a reason deemed justifiable by the Board of Directors of the Company, the period from the Vesting Period Start Date to such resignation, etc. shall be deemed as the Vesting Period, and monetary compensation will be paid after such resignation as of a date that exceeds three months from the end of the business year containing the Vesting Period Start Date and that is separately and reasonably designated by the Board of Directors of the Company.

(2) If the Eligible Directors, etc. resign or retire from the position set forth in (1) above before the expiration of such period, monetary compensation will not be paid, except for the case where there is a reason deemed justifiable by the Board of Directors of the Company.

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