



June 16, 2025

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Name of representative: Tetsushi Ogawa, President

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Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

We hereby announce that at a meeting of the Board of Directors held on June 14, 2025, a resolution was passed to dispose of treasury stock (hereinafter referred to as “the disposal of treasury stock” or “the disposal”) as described below.

1. Summary of the Disposal

(1) Disposal date	July 11, 2025
(2) Class and number of shares to be disposed	13,400 shares of our common stock
(3) Disposal price	¥1,298 per share
(4) Total amount of disposal	¥17,393,200
(5) Persons eligible for allotment of shares and number thereof, and number of shares for allotment	Directors (excluding outside directors and directors who are Audit & Supervisory Committee members) 4 persons, 9,800 shares Executive officer who does not concurrently serve as a director 3 persons, 3,600 shares

2. Purpose and Reason for the Disposal

At the 95th Ordinary General Meeting of Shareholders held on June 15, 2019, the Company obtained approval for the introduction of a restricted stock compensation system for the purpose of providing

medium- to long-term incentives to directors other than outside directors and executive officers who do not concurrently serve as directors of the Company, as well as for the purpose of sharing shareholder value. Additionally, in conjunction with the transition to a Company with an audit and supervisory committee at the 100th regular shareholders' meeting held on June 15, 2024, the Company has decided to introduce a restricted stock compensation system (hereinafter referred to as “the System”) with the same purpose as the previous restricted stock compensation system, targeting directors who are members of the audit and supervisory committee and directors other than outside directors (hereinafter referred to as “target directors”) and executive officers who do not concurrently serve as directors (hereinafter collectively referred to as “target directors and executive officers”) as the target of a restricted stock compensation system (hereinafter referred to as “this system”). Under this system, we will grant monetary compensation (hereinafter referred to as “restricted stock compensation”) to target directors, and to set the transfer restriction period for restricted stock compensation as a period determined by the Company's board of directors between three and 50 years.

The following is an overview of the System.

[Overview of the System]

Eligible directors will pay in all monetary compensation receivables provided by the Company under this system as in-kind contributions and receive the issuance or disposal of common shares of the Company. In addition, the total number of common shares issued or disposed of by the Company to eligible directors under this system shall be within 50,000 shares per year, and the payment amount per share shall be determined by the board of directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange market on the business day prior to the date of the board of directors' resolution (if no transactions were concluded on that day, the closing price on the most recent trading day prior to that date), within a range that does not result in an amount particularly favorable to the eligible directors who will receive the common stock.

In addition, when issuing or disposing of our common stock under this system, we will enter into a restricted stock allocation agreement with the target directors, etc., which will include the following provisions: (1) the target directors, etc. shall not transfer, pledge, or otherwise dispose of the common stock of our company allocated to them under the restricted stock allocation agreement for a certain period of time, and (2) in the event of certain circumstances, our company shall acquire the common stock free of charge.

In consideration of the purpose of this system, the state of our business, the scope of responsibilities of each eligible director, and various other circumstances, we have decided to grant a total of 17,393,200 yen in monetary compensation claims (hereinafter referred to as “monetary compensation claims”) and 13,400 shares of common stock. Additionally, to achieve the long-term sharing of shareholder value, which is the purpose of this system, we have set the transfer restriction period at 50

years for this occasion.

In this disposal of treasury stock, based on this system, the seven target directors and others who are the planned allocation recipients will pay in all of their monetary compensation claims against the Company as in-kind contributions, and will receive disposal of the Company's common stock (hereinafter referred to as "allocated shares"). The outline of the restricted stock allocation agreement (hereinafter referred to as "allocation agreement") to be concluded between the Company and the target directors and others in this disposal of treasury stock is as described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer Restriction Period: July 11, 2025 to July 11, 2075

(2) Conditions for Lifting Transfer Restrictions

All transfer restrictions on the allotted shares will be lifted at the end of the transfer restriction period, provided that the target directors and other persons continue to hold the position of director or executive officer of the Company during the transfer restriction period.

(3) Treatment in the event that the Target Directors, etc. resign or retire due to the expiration of their term of office, death, or other valid reasons during the Transfer Restriction Period.

① Timing of lifting transfer restrictions

If the target director, etc. resigns or retires from their position as a director or executive officer of the Company due to the expiration of their term of office or other valid reasons (excluding resignation or retirement due to death), the transfer restrictions shall be lifted immediately after the target director, etc. resigns or retires (including cases where the target director, etc. continues to serve as a director or executive officer of a subsidiary or overseas subsidiary of the Company). In the case of resignation or retirement due to death, the transfer restriction shall be lifted at a time separately determined by the Board of Directors after the death of the Target Director, etc.

② Number of Shares Subject to the Lifting of Transfer Restrictions

The number of shares held at the time of resignation or retirement specified in ① shall be multiplied by the number obtained by dividing the period of employment (in months) from the month following the month in which the Company's 101st Ordinary General Meeting of Shareholders is held to the month in which the relevant director or other officer resigns or retires by 12 (if the result exceeds 1, it shall be rounded down to 1). The resulting number of shares shall be calculated (however, if the calculation results in a fraction less than one unit share, such fraction shall be rounded down).

(4) Acquisition by the Company without consideration

The Company shall automatically acquire, without consideration, any allocated shares for which the transfer restrictions have not been lifted at the expiration of the transfer restriction period or at the time of lifting of the transfer restrictions as specified in (3) above.

(5) Management of Shares

During the transfer restriction period, the allocated shares may not be transferred, pledged as collateral, or otherwise disposed of, and shall be managed in a special account opened by the target directors at Nomura Securities Co., Ltd. The Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of accounts for the allocated shares held by each target director in order to ensure the effectiveness of the transfer restrictions and other restrictions on the allocated shares. In addition, the target directors and others shall agree to the terms of the management of the account.

(6) Treatment in the event of organizational restructuring, etc.

During the transfer restriction period, if a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other matters related to organizational restructuring, etc. are approved by the Company's shareholders' meeting (however, in cases where the approval of the Company's shareholders' meeting is not required for such organizational restructuring, etc., by the Company's board of directors), the number of shares allocated at that time shall be multiplied by the number of months from the month following the month in which the 101st regular shareholders' meeting of the Company was held to the month in which the approval was given, divided by 12 (if the result is more than 1, it shall be 1), and the number of shares allocated shall be adjusted accordingly. the number obtained by multiplying the number of shares held at that time by the number of months from the month following the month in which the 101st regular shareholders' meeting of the Company is held until the month in which the approval is made, divided by 12 (if the result exceeds 1, it shall be rounded down to 1) (however, if the calculation results in a fractional share less than one unit, such fractional share shall be disregarded). The transfer restriction on such shares shall be lifted as of the close of business on the business day immediately preceding the effective date of the reorganization, etc. Furthermore, immediately after the transfer restriction is lifted, the Company shall automatically acquire all of the allocated shares for which the transfer restriction has not been lifted, free of charge.

4. Basis for Calculating the Payment Amount and Specific Details

The disposal of treasury stock to the allottees will be carried out using monetary compensation claims granted as restricted stock compensation for the Company's 102nd fiscal year under this system as capital assets. The disposal price has been set at 1,298 yen, which is the closing price of our common stock on the Tokyo Stock Exchange on June 13, 2025 (the business day prior to the board of directors' resolution date), to eliminate any arbitrariness. This represents the market price immediately prior to the board of directors' resolution date and is considered reasonable and not particularly advantageous.