



June 27, 2025

FOR IMMEDIATE RELEASE

Company name: Avex Inc.
Representative: Katsumi Kuroiwa, Representative Director, CEO
(Securities code: 7860, TSE Prime Market)
Contact: Shinji Hayashi, Representative Director, CFO
TEL: 0570(020)050

Notice Regarding Issuance of New Shares as Restricted Stock Compensation

Avex Inc. (the “Company”) announces that it has resolved, at a meeting of its Board of Directors held today, to issue new shares as a restricted stock compensation. Details are as follows.

Details

1. Overview of issuance

(1) Pay-in date	July 29, 2025
(2) Class and number of shares to be issued	Common shares of the Company: 126,500 shares
(3) Issue price	1,274 yen per share
(4) Total issue value	161,161,000 yen
(5) Allottees	Executive directors of the Company 3 91,700 shares Corporate executives of the Company and directors of its subsidiaries 12 34,800 shares
(6) Others	The new shares shall be issued if the extraordinary report under the Financial Instruments and Exchange Act takes effect.

2. Purposes and reasons for the issuance

To provide greater motivation for improvements in mid-and long-term corporate value and to contribute to the formation of shared value between management and shareholders, the Company has introduced a restricted stock compensation plan (the “Plan”) as the board members' compensation plan designed to increase the executive directors' motivation to achieve the medium-term strategic objectives and thereby to contribute to increasing the stock price and enhancing corporate value, by having them share the benefits and risks resulting from changes in the stock price with the shareholders to a greater extent.

At the 33rd ordinary general meeting of shareholders held on June 26, 2020, the shareholders approved a total annual amount of monetary compensation claims of 120 million yen or less given to the executive directors as compensation related to restricted shares under the Plan and a stock transfer restriction period of three to ten years to be determined by the Company's Board of Directors.

Effective from the 38th fiscal year, restricted shares will also be allotted to directors of the Company's subsidiaries. By including directors of the Company's subsidiaries as the recipients of allotment, the Company expects that they will execute operations from the same perspectives as

those of the Company's directors and seek to maximize shareholder value from the standpoint of the shareholders.

At a meeting held on June 27, the Company's Board of Directors resolved to pay monetary compensation claims of 161,161,000 yen as restricted stock compensation for the 39th fiscal year (from April 1, 2025 to March 31, 2026) to three executive directors and 12 operating officers of the Company and directors of its subsidiaries (the "Allottees") and to allot 126,500 shares of the Company's common stock to the Allottees as shares with specific transfer restrictions when the Allottees make contributions in kind of all monetary compensation claims.

The amount of monetary compensation claims for each of the Allottees in the Company is decided by taking into consideration various factors, including contributions made by each Allottee and their responsibility in the 38th fiscal year.

This amount of monetary compensation claims will be provided to the Allottees subject to conditions including the condition that each Allottee executes an agreement with the Company for the allocation of restricted stock that contains the following provisions (the "Allocation Agreement").

To accomplish the purpose of the Plan, the Company has decided that the transfer restriction period of the restricted stock will be three years.

3. Overview of Allocation Agreement

(1) Transfer restriction period

(July 29, 2025 to July 28, 2028)

During the transfer restriction period set forth above (the "Transfer Restriction Period"), the Allottees may not transfer, establish a pledge on the Restricted Transfer Shares, grant a security interest in the Restricted Transfer Shares, inter vivos gift, leave as a bequest, or otherwise dispose of the Restricted Transfer Shares to any third party.

(2) Acquisition of restricted stock without compensation

If an Allottee steps down from all of their position, the positions of Director, Operating Officer and/or employee at the Company or a subsidiary, before the expiration of the Transfer Restriction Period, the Company shall naturally acquire the restricted shares allotted to the Allottee (the "Allotted Shares") without compensation when they step down unless they have a reason for stepping down that the Company's Board of Directors considers justifiable.

In addition, if there are any Allotted Shares at the time of expiration of the Restricted Period of Transfer (the "Expiration of the Period") for which the restriction on transfer is not released pursuant to the provision of causes for release specified in the following (3) Release of restrictions on transfer, the Company will automatically acquire such Allotted Shares without considerations immediately after the Expiration of the Period (immediately after stepping down or July 1, 2026, whichever is later, in the case described in the caveat in provision (3)).

(3) Lifting of the transfer restrictions

The Company will lift the restrictions on the transfer of all of the Allotted Shares held by the Allottees at the time of expiration of the Transfer Restriction Period on the condition that the Allottees have continuously been a Director, an Operating Officer or an employee at the Company or a subsidiary during the Transfer Restriction Period.

If an Allottee steps down from all of their position, the positions of Director, Operating Officer and/or employee at the Company or a subsidiary, for a reason that the Company's Board of Directors considers justifiable before the expiration of the Transfer Restriction Period, the Company will lift the restrictions on the transfer of all of the Allotted Shares held by the Allottee at the time of stepping down at the expiration of the Transfer Restriction Period (or July 1, 2026 if the Allottee steps down before June 30, 2026).

(4) Provision regarding management of shares

Allottees shall complete the procedure to open an account at SMBC Nikko Securities Inc. to register or record the Allocated Shares in such manner as designated by the Company, and shall store and maintain the Allocated Shares in such account during a period until the restrictions on transfer is released.

(5) Treatment in case of organization restructuring

If, during the Transfer Restriction Period, the Company's general meeting of shareholders approves a proposal on a merger agreement in which the Company is not a surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other proposal concerning organizational restructuring, etc. (provided, however, that if the organizational restructuring, etc. does not require the approval of the Company's general meeting of shareholders, the Company's Board of Directors shall approve such proposal), the transfer restrictions of all of the Allotted Shares held by the Allottees of restricted stock as of the date of such approval shall be removed immediately before the business day immediately preceding the effective date of the organizational restructuring, etc. in accordance with a resolution of the Company's Board of Directors.

In that case, the Company will automatically acquire Allocated Shares without consideration on the business day before the effective date of such organization restructure, etc. for which the restriction on transfer is not released on the same day pursuant to the aforementioned provision.

4. Calculation basis of payment amounts and relevant details

The issue price of the new shares to be issued is set at 1,274 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by its Board of Directors of the Company (June 26, 2025), in order to eliminate arbitrariness. This is the market share price immediately prior to the date of the resolution by its Board of Directors of the Company, and is considered reasonable.