

Notice Regarding Disposal of Treasury Stock as Restricted Stock

Tokyo, Japan, July 10, 2025—ZACROS Corporation (the "Company") announces that its Board of Directors resolved at a meeting held today to dispose of treasury stock as restricted stock (the "Treasury Stock Disposal") as described below.

1. Overview of the Disposal

The Treasury Stock Disposal will be conducted as follows: for the Company's directors, it will be carried out as compensation without requiring monetary payment or property contribution; for the Company's executive officers, it will be conducted by granting monetary compensation claims as compensation and having such monetary compensation claims contributed in kind.

① Overview of Disposal to the Company's Directors

(1) Allotment date: August 1, 2025

(2) Type and number of shares to be disposed: 6,700 shares of the Company's common stock

(3) Disposal price: As the Company's common stock will be disposed as compensation for the Company's directors, no monetary payment or property contribution will be required in exchange for such common stock.

※The fair value of such common stock is ¥3,790, which was the closing price of the Company's common stock on the Tokyo Stock Exchange on July 9, 2025 (the business day preceding the Board of Directors meeting held today), with a total amount of ¥25,393,000.

(4) Planned allottees: 3 directors, 6,700 shares

※Excluding audit and supervisory committee members, outside directors, and non-executive directors.

② Overview of Disposal to the Company's Executive Officers

(1) Payment date: August 1, 2025

(2) Type and number of shares to be disposed: 8,400 shares of the Company's common stock

(3) Disposal price: ¥3,790 per share

(4) Total disposal price: ¥31,836,000

(5) Planned allottees: 5 executive officers, 8,400 shares

2. Purpose and Rationale of the Disposal

At the Board of Directors meeting held on April 15, 2021, the Company resolved to introduce a new compensation system for the Company's directors (excluding audit and supervisory committee members, outside directors, and non-executive directors; hereinafter referred to as "Eligible Directors") in the form of a restricted stock compensation system (the "System") for the purpose of providing incentives to enhance the Company's corporate value sustainably and promoting further value sharing with shareholders. At the 91st Annual General Meeting of Shareholders held on June 18, 2021, approval was obtained to grant restricted stock to Eligible Directors as compensation under the System, separate from the existing monetary compensation framework.

Under the System, Eligible Directors will receive issuance or disposal of the Company's common stock as directors' compensation without requiring monetary payment. The total number of the Company's common stock to be issued or disposed under the System shall be within 60,000 shares per year and within ¥100 million per year.

Furthermore, the Company has decided to grant restricted stock to the Company's executive officers for the purpose of providing incentives to enhance the Company's corporate value sustainably and promoting further value sharing with shareholders. The granting of restricted stock to executive officers will be conducted by providing monetary compensation claims from the Company and having such monetary compensation claims contributed in kind to the Company.

At the Board of Directors meeting held on July 10, 2025, the Company resolved to dispose 15,100 shares of the Company's common stock (the "Allotted Shares") to 3 Eligible Directors and 5 executive officers (collectively, the "Eligible Officers"), taking into consideration the purpose of the System, the scope of responsibilities of each Eligible Officer, and other various circumstances. The Company will provide monetary compensation claims totaling ¥31,836,000 to executive officers as property to be contributed in kind for this Treasury Stock Disposal.

<Overview of Restricted Stock Allotment Agreement>

In connection with this Treasury Stock Disposal, the Company will individually enter into restricted stock allotment agreements with the Eligible Officers. The overview is as follows:

(1) Transfer Restriction Period

For Eligible Officers who are directors: from August 1, 2025 (allotment date) until the date of retirement from the position of director of the Company (provided that if such date is prior to the filing date of the Company's interim report for fiscal 2025, then until such filing date).

For Eligible Officers who are executive officers: from August 1, 2025 (disposal date) until the date of retirement from the position of director or executive officer of the Company (provided that if such date is prior to the filing date of the Company's interim report for fiscal 2025, then until such filing date).

During this period, the Allotted Shares may not be transferred, pledged, or otherwise disposed of.

(2) Conditions for Release of Transfer Restrictions

Transfer restrictions on all Allotted Shares will be released upon expiration of the transfer restriction period, provided that the Eligible Officers continuously hold their respective positions during the period from the allotment date until the conclusion of the next annual general meeting of shareholders (the "Service Period"):

① for Eligible Officers who are directors, the position of director of the Company; ② for Eligible Officers who are executive officers, the position of director or executive officer of the Company.

However, if an Eligible Officer retires during the Service Period due to expiration of term, death, or other reasons deemed legitimate by the Company's Board of Directors, transfer restrictions will be released on a number of Allotted Shares calculated by multiplying the number of Allotted Shares allocated to such Eligible Officer by the number of months from the month following the month including the Service Period start date to the month including the retirement date, divided by 12 (fractions less than one share will be rounded down).

(3) Gratuitous Acquisition by the Company

Upon expiration of the transfer restriction period, the Company will automatically acquire free of charge any Allotted Shares for which transfer restrictions have not been released.

(4) Share Management

To prevent transfer, pledging, or other disposal of the Allotted Shares during the transfer restriction period, the shares will be managed in dedicated accounts for restricted stock opened by the Eligible Officers at Daiwa Securities Co. Ltd. during the transfer restriction period.

(5) Treatment in Case of Corporate Reorganization

If a merger agreement under which the Company becomes the absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or other corporate reorganization matters are approved at the Company's general meeting of shareholders (or at the Company's Board of Directors meeting if such corporate reorganization does not require approval at the Company's general meeting of shareholders) during the transfer restriction period, the Board of Directors may resolve to release transfer restrictions on a number of Allotted Shares calculated by multiplying the number of Allotted Shares held at that time by the number of months from the month following the month including the Service Period start date to the month including the corporate reorganization approval date, divided by 12 (provided that if the calculation result exceeds 1, it shall be 1), with such release effective immediately prior to the effective date of the corporate reorganization (fractions less than one share will be rounded down).

3. Basis for Calculation of Payment Amount and Specific Details

The Treasury Stock Disposal to Eligible Officers who are executive officers will be conducted using monetary compensation claims granted to the planned allottees under the System as contributed property. To eliminate arbitrariness, the payment amount is set at ¥3,790, which was the closing price of the Company's common stock on the Tokyo Stock Exchange on July 9, 2025 (the business day preceding the Board of Directors resolution date). This represents the market price immediately before the Board of Directors resolution date and, in the absence of special circumstances indicating that recent stock prices cannot be relied upon, appropriately reflects the Company's corporate value and is considered reasonable. We believe this does not constitute a particularly favorable price for the Eligible Officers who are executive officers.

Inquiries: Michihiko Sato, Director and Senior Executive Officer in Charge of Administration
Tel.: +81-3-5804-4221

Company Name: ZACROS Corporation
Representative Director: Taku Shimoda, President & CEO
Stock Code: 7917 (Prime Market, Tokyo Stock Exchange)
URL: <https://www.zacros.co.jp/en/contact/>