



May 28, 2025

For Immediate Release

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Notice of Disposal of Treasury Shares as Restricted Stock-Based Compensation for Directors, Etc.

Izumi Co., Ltd. (the "Company") hereby announces that a meeting of its Board of Directors held on May 28, 2025 resolved to dispose of treasury shares (the "Disposal of Treasury Shares") as restricted stock-based compensation. Details are as follows.

1. Overview of disposal

(1) Payment date	June 27, 2025
(2) Class and number of shares to be disposed	38,657 common shares of the Company
(3) Disposal amount	3,273 yen per share
(4) Total disposal amount	126,524,361 yen
(5) Allottees	5 Directors *: 23,983 shares 19 Executive Officers: 14,674 shares *Excluding Outside Directors
(6) Other	The Company will submit an extraordinary report on the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for disposal

At a meeting of the Board of Directors held on February 9, 2021, the Company passed a resolution to introduce a restricted stock-based compensation plan (the "Plan") as a new compensation plan for the Company's directors, in order to grant them incentives to sustainably improve corporate value of the Company and further promote shared value with shareholders. At the 60th Annual General Meeting of Shareholders held on May 26, 2021, the Company obtained approval for a proposal specifying that the total amount of monetary compensation to be paid to Directors of the Company as property contributed in kind relating to the granting of restricted stocks under the Plan shall not exceed 100 million yen per annum, and that the restriction period of the restricted stocks shall be from the date on which the restricted stocks are delivered until the date on which Directors lose the position of

Director of the Company and other positions specified by the Board of Directors of the Company.

The outline of the Plan is as follows.

Overview of the Plan

Under the Plan, eligible directors shall make in-kind contributions of all the monetary compensation receivables to be granted from the Company and in return receive the Company's common stock that will be issued or disposed of by the Company.

The annual number of shares of common stock to be issued to eligible directors or disposed of under the Plan will be 50,000 or less. The amount to be paid in per share of the Company's common stock to be issued or disposed of under the Plan shall be determined by the Board of Directors within a range that is not especially advantageous to eligible directors, to whom shares will be allotted, based on the closing price of the Company's common stock on Tokyo Stock Exchange on the business day immediately preceding the day of resolution of the Board of Directors (if no trading is reported on the preceding day, the closing price on the day before that day).

The Company and the eligible directors, to whom shares will be allotted, will sign a restricted stock allotment agreement on the issuance or disposal of common stock of the Company under the Plan. The agreement will include the following:

- i. The eligible directors may not, during a predefined period, transfer, attach a security interest on or otherwise dispose of the Company's common stock allotted; and
- ii. The Company shall acquire said common stock without consideration if certain events occur.

In addition, the Company has introduced a restricted stock-based compensation plan similar to the one with Directors of the Company for Executive Officers of the Company and, at a meeting of the Board of Directors held today, the Company resolved to grant restricted stocks as follows.

Taking into consideration the purpose of the Plan, the performance of the Company, the range of responsibilities of each allottee, and various other circumstances, the Company has resolved to grant a total of 38,657 shares of its common stock (the "Allotted Shares") as shares to be received in exchange for contributions in kind (the amount of monetary (compensation) claims to be contributed per share is 3,273 yen) amounting to 126,524,361 yen, which is the total of (i) monetary compensation claims against the Company granted to five Directors of the Company (the "Eligible Directors") in accordance with the resolution of the Board of Directors of the Company at a meeting held today and (ii) monetary compensation claims against the Company granted to 19 Executive Officers of the Company in accordance with a resolution of the Board of Directors of the Company held today.

Outline of the Restricted Stock Allotment Agreement

The Company and the Eligible Directors will enter into a restricted stock allotment agreement (the "Allotment Agreement"), and its outline is as follows. The Company plans to enter into a broadly similar restricted stock allotment agreement with the Executive Officers of the Company who are the allottees in the Disposal of Treasury Shares.

(1) Transfer restriction period

From June 27, 2025 (payment date) to the day on which an Eligible Director has relinquished his or her position as a Director, Executive Officer or employee of the Company, the Eligible Director may not transfer, attach a security interest on or otherwise dispose of the Allotted Shares.

(2) Condition for lifting transfer restrictions

On the condition that an Eligible Director continues to hold the position of Director of the Company for the period from June 27, 2025 (payment date) until the beginning of June 1, 2026 (the “Period of Service Provision, etc.”; the period of service provision shall be from the payment date until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending February 28, 2026), transfer restriction on all the Allotted Shares shall be lifted at the time of the expiry of the transfer restriction period. However, if an Eligible Director has lost his or her position as the Company’s Director during the Service Period due to his or her death, expiration of the term of office, or any other reason deemed justifiable by the Company’s Board of Directors, the transfer restriction will be lifted for the Allotted Shares of the number obtained by multiplying the number obtained by dividing the number of months from May 2025 to the month that includes the date of relinquishment by 12 (if the number exceeds 1, it will be deemed to be 1) by the number of the Allotted Shares (if a fraction less than 1 share arises as a result of the calculation, this will be truncated) at the time of expiration of the transfer restriction period.

(3) Acquisition by the Company without compensation

The Company will automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted at the time of the expiration of the transfer restriction period, etc. in accordance with the provisions of the agreement.

(4) Management of shares

The Allotted Shares shall be managed in the accounts exclusively for restricted stocks that are opened by the Eligible Directors at Daiwa Securities during the period of transfer restrictions to prevent the transfer of shares, the establishment of security interests on shares or other dispositions.

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

If a joint venture agreement in which the Company is a dissolving company, a stock exchange agreement in which the Company is a wholly owned subsidiary, a share transfer plan, or other matters related to organizational restructuring is approved at a General Meeting of Shareholders (or the Board of Directors, if there is no need to obtain approval at a General Meeting of Shareholders for organizational restructuring, etc.) during the period of transfer restrictions, the Company may lift the transfer restrictions related to all the Allotted Shares by resolution of the Board of Directors before the business day immediately preceding the day when the organizational restructuring, etc. takes effect.

3. Basis and details of calculation of the amount to be paid

The Treasury Share Disposal will be conducted using monetary (compensation) claim to be granted to the allottees based on the Plan as the capital contribution, and the amount to be paid in is set at 3,273 yen, the closing price of the common stock of the Company on the Tokyo Stock Exchange on May 27, 2025 (business day before the date of resolution of the Board of Directors) to eliminate arbitrariness. The amount is the market price immediately before the date of resolution of the Board of Directors and a reasonable amount reflecting the Company's corporate value properly unless there are special circumstances that indicate the latest stock price is unreliable. The Company believes the amount is not particularly advantageous for the allottees.