

September 11, 2025

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(Securities code: 9267; TSE Prime)
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Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

Genky DrugStores Co., Ltd. (the "Company") hereby announces that at the Board of Directors meeting held on September 11, 2025, the Company resolved to dispose of its treasury stock as restricted stock compensation (the "Treasury Stock Disposal") as follows:

Description

1. Summary of the Disposal

(1) Disposal due date	October 10, 2025
(2) Type and total number of shares to be disposed of	Common stock of the Company 69,000 shares
(3) Disposal price	4,870 Yen per share
(4) Total amount disposed of	336,030,000 Yen
(5) Allottee	Directors of the Company: 2 persons, 24,000 shares Subsidiary Employees of the Company: 8 persons, 45,000 shares
(6) Others	An Extraordinary Report regarding the Treasury Stock Disposal has been filed under the Financial Instruments and Exchange Act.

2. Purpose and reasons for the disposition

The Company resolved at its Board of Directors meeting held on August 18, 2025 to introduce a restricted stock compensation plan (the "Plan") for the purpose of providing its Directors and Officers (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as the "Eligible Directors") with an incentive to sustainably increase the Company's corporate value and to further share that value with shareholders, thereby increasing its corporate value over the medium to long term.

At the 8th Annual General Meeting of Shareholders held on September 11, 2025, it was approved that, under this scheme, monetary claims of up to 200 million yen per year would be granted as compensation to the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) for the purpose of contributing such claims in kind to acquire restricted stock, and that up to 100,000 shares of the Company's common stock may be issued or disposed of annually. It was also approved that the transfer restriction period of the restricted stock shall extend until the date on which the holder resigns or retires from all positions as a Director or employee of the Company or its subsidiaries.

The outline of this scheme is as follows.

Under the scheme, monetary compensation claims are granted to the eligible recipients for the purpose of allotting restricted stock. The recipients will contribute such claims in kind and, in return, receive the issuance or disposal of the Company's common stock. The timing and allocation of grants to each eligible recipient will be determined by resolution of the Board of Directors.

In the Treasury Stock Disposal, ten eligible recipients, as the planned allottees, will contribute the entire

amount of their monetary compensation claims in kind and subscribe to the common stock of the Company to be disposed of. Taking into account the purpose of the scheme, the Company's business performance, the scope of responsibilities of each recipient, and other relevant circumstances, it has been decided to grant monetary compensation claims in the total amount of ¥336,030,000 and to issue or dispose of 69,000 shares of the Company's common stock to the eligible recipients.

The payment amount per share of the Company's common stock under the scheme shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the relevant Board of Directors resolution (or, if no trading occurs on that day, the closing price on the immediately preceding trading day).

Furthermore, in connection with the issuance or disposal of the Company's common stock under the scheme, the Company and each eligible recipient shall enter into a Restricted Stock Allotment Agreement, the terms of which will include: (i) the recipients shall not transfer, create a security interest over, or otherwise dispose of the common stock allotted to them under the agreement for a specified period; and (ii) in the event that certain circumstances arise, the Company shall acquire such common stock without consideration.

In order to provide incentives aimed at sustainably increasing corporate value and realizing value sharing with shareholders, which are the purposes of introducing this scheme, the transfer restriction period has been set to continue until the time of resignation or retirement from all positions.

3. Summary of the Restricted Stock Allotment Agreements

The Company will enter into Restricted Stock Allotment Agreements with each Eligible Director, etc. individually, the outline of which is as follows:

(1) Transfer restriction period

From the disposal date (October 10, 2025; hereinafter referred to as the "Disposal Date") until the date on which the eligible recipient resigns or retires from all positions as a Director or employee of the Company and its subsidiaries (or, if such resignation or retirement occurs prior to the filing date of the Company's Annual Securities Report for the fiscal year that includes the Disposal Date, or, in cases where the Disposal Date falls within six months after the commencement of such fiscal year, prior to the filing date of the Company's Semi-Annual Securities Report for such fiscal year, then until such filing date) (such period hereinafter referred to as the "Transfer Restriction Period"), the common stock of the Company allotted under the Allotment Agreement (hereinafter referred to as the "Shares") may not be transferred, pledged, or otherwise disposed of.

(2) Conditions for lifting transfer restrictions

The transfer restrictions will be lifted for all of the Allocated Shares at the expiration of the Transfer Restriction Period.

(3) Reasons for free acquisition

(i) In the event that an eligible recipient is confirmed to resign or retire from all positions as a Director or employee of the Company and its subsidiaries due to death, expiration of term of office, reaching the mandatory retirement age, or for any reason other than a justifiable cause, the Company shall acquire all of such shares without consideration.

(ii) Other events giving rise to acquisition without consideration shall be as stipulated in the allotment agreement based on a resolution of the Board of Directors of the Company.

(4) Treatment in the event of death or early resignation

Notwithstanding the provisions of (1) and (2) above, if an eligible recipient resigns or retires from all positions as a Director or employee of the Company and its subsidiaries due to death or any other justifiable reason, the transfer restrictions on all of such shares shall be lifted as of the

time of such resignation or retirement.

Furthermore, if an eligible recipient resigns or retires for a reason other than mandatory retirement and is 60 years of age or older at the time of such resignation or retirement, then, except in cases falling under item (3), the transfer restrictions on all of such shares shall be lifted as of the time of such resignation or retirement.

(5) Treatment in the event of an organizational restructuring or other related matters

Notwithstanding the provisions of (1) and (2) above, if, during the Transfer Restriction Period, a merger agreement under which the Company will be the disappearing company, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or other matters relating to organizational restructuring are approved at the Company's General Meeting of Shareholders (or, in cases where approval of the Company's General Meeting of Shareholders is not required for such organizational restructuring, at a meeting of the Company's Board of Directors), the Company shall, by resolution of the Board of Directors, acquire all of such Shares without consideration immediately before the business day preceding the effective date of such organizational restructuring.

(6) Treatment in the event of a tender offer or similar transactions

In the event that a tender offer for the Company's common stock, as provided for in Article 27-2 and subsequent articles of the Financial Instruments and Exchange Act, is commenced, the Company shall acquire all such shares without consideration on a date separately determined by resolution of the Board of Directors of the Company.

(7) Management of shares

The Shares are to be managed in a dedicated account opened by each eligible recipient with a securities company during the transfer restriction period, so that they may not be transferred, pledged, or otherwise disposed of during such period. In order to ensure the effectiveness of the transfer restrictions and other conditions relating to the Shares, the Company and each eligible recipient have entered into an agreement with the securities company concerning the management of the accounts in which such shares are held.

4. Basis for calculation of payment amount and its specific details

In order to eliminate arbitrariness, the disposal price for this disposal of treasury stock will be set at 4,870 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on the business day immediately preceding the Board of Directors meeting (September 10, 2025). This is the market share price immediately prior to the date of the resolution of the Company's Board of Directors, and the Company believes that it is reasonable and not a particularly favorable price.