

[Translation]



July 22, 2022

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President & CEO
(Code No.:4423 Prime Market of the TSE)
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Notice of Disposal of Treasury Shares as Restricted Shares

We hereby announce that at a meeting of the Board of Directors held today, we resolved to conduct a disposal of treasury shares (hereinafter the “Disposal of Treasury Shares”) as restricted shares in accordance with Article 370 of the Companies Act and Article 23 of the Company’s Articles of Incorporation, as follows.

1. Overview of the disposal

(1)	Pay-in date	August 19, 2022
(2)	Class and number of shares for disposal	Common stock of the Company 53,961 shares
(3)	Disposal price	1,262 yen per share
(4)	Total amount of disposal	68,098,782 yen
(5)	Planned allocation recipients	2 executive directors of the Company 17,795 shares 30 executive officers and employees of the Company 28,715 shares 8 executive directors, executive officers, and employees of the Company’s consolidated subsidiaries 7,451 shares
(6)	Other	A securities notice of the Disposal of Treasury Shares has been submitted in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the disposal

The Company’s Board of Directors resolved at a meeting held on May 29, 2020 to introduce a system for allocating restricted shares (the “System”) to directors (excluding outside directors and so on hereunder), executive officers, and employees of the Company and its consolidated subsidiaries as an incentive plan for increasing their motivation to contribute to increasing the Company’s share price and corporate value. Then, at the 5th Annual General Meeting of Shareholders, held on June 26, 2020, we received approval for 1) setting the total amount of monetary remuneration receivables to be paid as compensation, etc. relating to the restricted shares to directors (excluding outside directors) of the Company to within 100 million yen per year, 2) limiting the total number of restricted shares that may be allocated to the Company’s directors

(excluding outside directors) each fiscal year to 50,000 shares, and 3) setting the transfer restriction period on the restricted shares to a period of at least three years, to be determined by the Company's Board of Directors.

For the Disposal of Treasury Shares, we plan to allocate 53,961 shares of common stock, which are treasury shares held by the Company as restricted shares, to 2 executive directors, 7 executive officers, and 23 employees of the Company, and 2 executive directors, 2 executive officers, and 4 employees of the Company's subsidiaries (the "Allocation Recipients"), who are the planned Allocation Recipients under the System. The allocation will be conducted by way of a contribution in kind with the in-kind contribution asset being monetary remuneration receivables totaling 68,098,782 yen allocated to each Allocation Recipient by the Company and the Company's subsidiaries.

The amount of monetary remuneration receivables for each Allocation Recipient will be decided by giving comprehensive consideration to various factors including the level of contribution of each Allocation Recipient to the Group. Furthermore, the monetary remuneration receivables are paid under conditions such as each Allocation Recipient concluding a restricted share allocation contract (the "Allocation Contract") with the Company, including the following summary and details.

Furthermore, the transfer restriction period shall be three years as the Company aims to realize the objective of introducing the System of having the Allocation Recipients share the benefits and risks of stock price fluctuations with shareholders and enhance their motivation toward further contribution to the rise in stock price and the increase in corporate value.

3. Summary of the Allocation Contract

(1) Transfer restriction period

August 19, 2022 to August 19, 2025

For this period (the "Transfer Restriction Period"), the Allocation Recipients may not dispose of the restricted shares allotted to them (the "Allotted Shares") in any way whatsoever, including transfer to third parties, establishment of right of pledge, establishment of a security interest, advancement or bequest (the "Transfer Restriction").

(2) Acquisition of the restricted shares without consideration

If an Allocation Recipient resigns or retires from the position of director, executive officer, or employee of the Company or the Company's subsidiary, between the first day of the Transfer Restriction Period and the day before the day of the next Annual General Meeting of Shareholders (for Allocation Recipients who are directors of the Company's subsidiaries, between the first day of the Transfer Restriction Period and the day of the first Annual General Meeting of Shareholders of the subsidiary; for Allocation Recipients who are executive officers or employees of the Company or the Company's subsidiaries, between the first day of the Transfer Restriction Period and March 30, 2023), except for cases where the Company accepts the reason to be just, the Company shall automatically acquire the Allotted Shares without consideration.

Furthermore, at the time when the Transfer Restriction Period is complete (the "Period Completion"), if any of the Allotted Shares have not had their Transfer Restriction lifted in accordance with the reasons for lifting transfer restrictions detailed below in (3), the Company shall automatically acquire them without consideration immediately after the Period Completion.

(3) Lifting of the Transfer Restriction

Provided that the Allocation Recipient has remained continuously in the position of director, executive officer, or employee of the Company or the Company's subsidiary between the first day of the Transfer Restriction Period and the day before the day of the next Annual General Meeting of Shareholders (for Allocation Recipients who are directors of the Company's subsidiaries, between the first day of the Transfer Restriction Period and the day of the first Annual General

Meeting of Shareholders of the subsidiary; for Allocation Recipients who are executive officers or employees of the Company or the Company's subsidiaries, between the first day of the Transfer Restriction Period and March 31, 2023), at the Period Completion, the transfer restriction shall be lifted from all of the Allocated Shares held by the Allocation Recipient at that time. However, if the Allocation Recipient has retired or resigned from the position of director, executive officer, or employee of the Company or the Company's subsidiary before the completion of the Transfer Restriction Period for a reason that the Company's Board of Directors accepts as being just, the Transfer Restriction shall be lifted immediately after the retirement or resignation on the number of Allocated Shares held by the Allocation Recipient immediately after the retirement or resignation, with the number determined as follows: the number of shares held shall be multiplied by a factor obtained as the result of dividing by 12 the number of months from July 2022 (for Allocation Recipients who are executive officers or employees of the Company or the Company's subsidiaries, April 2022) to the month containing the date of retirement or resignation of the Allocation Recipient from the position of director, executive officer, or employee of the Company or the Company's subsidiary (however, where the factor obtained by this division is greater than 1, it shall be deemed to be 1; and where product of multiplying the factor by the number of shares produces a fraction less than one, it shall be rounded off).

(4) Provisions regarding management of shares

The Allocation Recipients shall complete the opening of an account at SMBC Nikko Securities Inc., in which the Allocated Shares shall be listed or recorded, and the Allocated Shares shall be stored and retained in the account until the Transfer Restriction is lifted.

(5) Treatment of organizational restructuring, etc.

During the Transfer Restriction Period, if a proposal regarding a merger in which the Company is the dissolving company, a share exchange in which the Company becomes a wholly-owned subsidiary, a share transfer plan, or other organizational restructure, etc. is approved by the Company's general meeting of shareholders (or in the case of an organization restructure, etc., that does not require the approval of the Company's general meeting of shareholders, the Company's Board of Directors), then by resolution of the Company's Board of Directors a number of the Allotted Shares rationally determined based on the period from the start date of the Transfer Restriction Period until the date of approval of the organizational restructuring, etc., shall have their Transfer Restriction lifted ahead of the effective date of the organizational restructuring, etc.

In this case, immediately after the lifting of the Transfer Restriction in accordance with the abovementioned provision, the Company shall automatically acquire without consideration the Allotted Shares whose Transfer Restriction is not lifted.

4. Grounds for calculation of pay-in amount and specific details thereof

The disposal price in the Disposal of Treasury Shares is 1,262 yen, being 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 the Company's Board of Directors, to avoid arbitrariness. Since this is the market price on the business day immediately preceding the date of resolution by the Company's Board of Directors, it is rational and does not constitute a particularly advantageous price.