

NOTE: This document is originally written in Japanese and in case of any differences or discrepancies between the Japanese and English versions, the Japanese original version shall prevail.



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Yorozu Corporation

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Notice Concerning Disposal of Treasury Shares as Shares with Transfer Restrictions

Yorozu Corporation (the “Company”) hereby announces that, at its Board of Directors meeting held today, disposal of treasury shares as shares with transfer restrictions (the “Disposal of Treasury Shares” or the “Disposal”) was resolved as follows.

1. Outline of the Disposal

(1) Payment due date	August 4, 2025
(2) Class and number of shares to be disposed of	101,800 shares of common stock of the Company
(3) Disposal price	911 yen per share
(4) Total Disposal value	92,739,800 yen
(5) Scheduled recipients of the allotment (number thereof), and number of shares to be allotted	Directors of the Company* (4): 34,400 shares Executive officers of the Company (10): 39,300 shares Vice presidents of the Company (18): 28,100 shares *Directors and outside directors who are Audit and Supervisory Committee members are excluded.
(6) Others	Regarding the Disposal of Treasury Shares, the Company has filed an extraordinary report pursuant to the Japanese Financial Instruments and Exchange Act.

2. Purpose of and Reason for the Disposal

At a meeting of the Board of Directors held on May 28, 2020, the Company resolved to introduce a restricted stock compensation plan (the “Director Remuneration Plan”) for the Company’s directors excluding directors and outside directors who are Audit and Supervisory Committee members (the “Eligible Directors”). The Director Remuneration Plan aims to provide the Eligible Directors with an incentive to sustainably enhance the Company’s medium- to long-term corporate value and shareholder value while further facilitating value sharing with its shareholders. The agenda item related to the Director Remuneration Plan was subsequently approved at the 75th Annual General Meeting of Shareholders held on June 26, 2020.

The overview of the Director Remuneration Plan is as follows.

< Overview of the Director Remuneration Plan >

The Eligible Directors will pay in all of the monetary claims as assets contributed in kind from the Company under the Director Remuneration Plan, and in return, receive shares of the Company's common stock either issued or disposed of.

The total number of the Company's common stock issued or disposed of under the Director Remuneration Plan is to be maximum 120 thousand shares on an annual basis. The amount to be paid per share will be determined at the Board of Directors meeting to the extent that the amount is not particularly advantageous to the Eligible Directors who are recipients of the allotted shares, based on 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 of the Board of Directors on issuance or disposal (or, if no transactions were completed on the said day, the closing price on the most recent trading day preceding the date of such resolution).

In addition, when issuing or disposing of the Company's common stock under the Director Remuneration Plan, the Company and the Eligible Directors to whom the shares are allotted will enter into a restricted stock allotment agreement, which includes the following provisions.

- (1) For a predefined period, the Eligible Directors are prohibited from transferring, creating a security interest in, or otherwise disposing of the Company's common stock allotted under the restricted stock allotment agreement.
- (2) The Company will acquire its common stock allotted under the restricted stock allotment agreement free of charge upon the occurrence of certain specified events.

The Company has also introduced a restricted stock compensation plan for its executive officers and vice presidents, which is similar to the Director Remuneration Plan (both plans are collectively referred to as the "Plan"), for the purpose of providing them with an incentive to sustainably enhance the Company's medium- to long-term corporate value and shareholder value while further facilitating value sharing with its shareholders.

Based on the above, the Company has decided at the Board of Directors meeting held today to grant a total of 92,739,800 yen in monetary claims to the 4 Eligible Directors, 10 executive officers, and 18 vice presidents (collectively, the "Eligible Persons") and to dispose of 101,800 shares of its common stock (the "Allotted Shares") in line with the purpose of the Plan, taking into account the Company's business performance, the scope of duties of the Eligible Persons, and various other relevant circumstances.

< Overview of the restricted stock allotment agreement >

Following the Disposal of Treasury Shares, the Company and each of the Eligible Persons will separately enter into a restricted stock allotment agreement as detailed below.

(1) Transfer Restriction Period

The Eligible Persons are prohibited from transferring, creating a security interest in, or otherwise disposing of the Allotted Shares during the period from August 4, 2025 (payment due date) to the date of resigning from the position as director, executive officer, or vice president of the Company or its subsidiaries (the "Transfer Restriction Period").

(2) Conditions for lifting transfer restrictions

On condition that the Eligible Persons continue to hold the position of director, executive officer, or vice president of the Company or its subsidiaries for the period from the Company's Annual General Meeting of Shareholders held on the date immediately preceding the payment due date until the date of the Company's Annual General Meeting of Shareholders held the following year (the "Service Provision Period"), the transfer restrictions on all of the Allotted Shares will be lifted at the expiration

of the Transfer Restriction Period. However, if the Eligible Persons resign from their position as director, executive officer, or vice president of the Company or its subsidiaries during the Transfer Restriction Period because of death or other reasons deemed justifiable by the Company's Board of Directors, the transfer restrictions will be lifted as of the expiration date of the said period for the number of the Allotted Shares calculated on the basis of the number of months from the month following the month containing the start date of the Service Provision Period up to the month containing the resignation or retirement date, which is then divided by 12 and multiplied by the total number of the Allotted Shares (if the calculation results in fractions of less than one share, such fractions will be rounded down).

(3) Acquisition by the Company free of charge

The Company will automatically acquire at no cost any Allotted Shares for which the transfer restrictions have not been lifted as of the expiration of the Transfer Restriction Period.

(4) Stock management

The Allotted Shares will be managed in a dedicated account opened by the Eligible Persons at Daiwa Securities, Co., Ltd. to restrict the ability to transfer, create a security interest in, or otherwise dispose of the Allotted Shares during the Transfer Restriction Period.

(5) Handling in organizational restructuring, etc.

During the Transfer Restriction Period, if a merger agreement resulting in the dissolution of the Company, a stock exchange agreement or stock transfer plan under which the Company becomes a wholly-owned subsidiary, or other matters related to organizational restructuring, etc. are approved by the Company's General Meeting of Shareholders (or the Board of Directors meeting if the approval of the General Meeting of Shareholders is not required for the organizational restructuring, etc.), following a resolution of the Board of Directors meeting, the transfer restrictions on the Allotted Shares will be lifted at the timing immediately before the business day preceding the effective date of such organizational restructuring, etc., for the number of the Allotted Shares calculated on the basis of the number of months from the month immediately following the month containing the start date of the Service Provision Period up to the month containing the approval date of the organizational restructuring, etc., which is then divided by 12 (with any results over 1 rounded down to 1) and multiplied by the number of the Allotted Shares held at that time (if the calculation results in fractions of less than one share, such fractions will be rounded down).

3. Basis for Calculating the Payment Amount and Its Specific Details

The Disposal of Treasury Shares will be conducted using the monetary claims granted to the scheduled recipients under the Plan as assets contributed in kind. To eliminate arbitrariness in the payment amount, the Company sets 911 yen, which is the closing price of its common stock on the Tokyo Stock Exchange as of July 11, 2025 (the business day preceding the date of the Board of Directors' resolution). It is the market price immediately before the date of the Board of Directors' resolution and appropriately reflects the Company's corporate value, unless specifically provided otherwise in circumstances where the latest share price is not considered to be reliable. The Company believes the price to be reasonable and not particularly advantageous to the Eligible Persons.