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For immediate release

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Announcement About the Disposal of Treasury Shares Through a Third-party Allocation Along with the Introduction of a Performance-based Stock Compensation Plan (Restricted Stock Trust) for Employees

We hereby announce that at a board of directors meeting held today, to dispose of treasury shares (hereinafter the “Disposal of Treasury Shares”) and introduce a performance-based stock compensation plan (restricted stock trust) for employees, as described below.

1. Overview of the Disposal

(1) Disposal date	May 23, 2024
(2) Type and number of shares to be disposed	450,000 shares of Company common stock
(3) Disposal value	2,556 yen per share
(4) Total disposal amount	1,150,200,000 yen
(5) Planned disposal destination	Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-entrusted trustee: Custody Bank of Japan, Ltd. (trust account))
(6) Other	The Disposal of Treasury Shares is subject to an application effective under the Financial Instruments and Exchange Act.

2. Purpose and Reason of the Disposal

We decided, at a board of directors meeting held today, to introduce a restricted stock trust (hereinafter the "Plan"), which is a trust-based stock compensation plan for employees to increase our corporate value in the medium and long-term by enriching benefit programs for our employees and employees of some of the Group companies (hereinafter collectively referred to as "Employees"). This is to develop the Employees'

sense of belonging, make them aware of their participation in management, and raise their awareness of Company performance and stock price increases.

For the Plan overview, please refer to the today's press release "Announcement Concerning the Introduction of a Performance-based Stock Compensation Plan (Restricted Stock Trust) for Employees and the Determination of Matters Regarding Stock Acquisition for the Trust."

The Disposal of Treasury Shares is to be made with Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-entrusted trustee: Custody Bank of Japan, Ltd. (trust account)), who is the trustee of a trust (hereinafter the "Trust") set for the introduction of the plan.

The number of shares to be disposed of (450,000 shares; 4,500 voting rights) is equivalent to the number of shares that are expected to be issued to employees in consideration of the makeup, etc. of employees during the trust period per the share issuance rules that we set in introducing the plan. The dilution rate of the total number of shares issued as of March 31, 2024, 28,000,000, is 1.61%. (The rate of voting rights to the total number of voting rights as of March 31, 2024, 261,143, is 1.72%; both figures are rounded to the third decimal place.)

We feel that the Plan will improve corporate value in the medium and long term. We believe that the number of shares to be disposed of and the degree of dilution in the Disposal of Treasury Shares are reasonable and will have only a minor impact on the trading market.

(Refer to) Outline of the Trust Agreement on the Trust

Trustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-entrusted trustee: Custody Bank of Japan, Ltd.)
Beneficiary	Employees fulfilling beneficiary requirements
Trust administrator	It is planned to select a third party independent of the Company and its executives.
Exercising voting rights	The trustee exercises voting rights according to instructions from the trust administrator throughout the trust period.
Trust type	Trusts of money other than monetary trusts (third-party benefit trust)
Trust agreement date	May 23, 2024
Period of the trust	May 23, 2024 to the end of September, 2029 (planned)
Purpose of the trust	To issue Company shares to the beneficiaries in accordance with the share issuance rules.

3. Basis for the Disposal Value Calculation and its Details

Considering recent changes in share price and the necessity to eliminate any discretion, we set the disposal value at 2,556 yen, the closing price on the Tokyo Stock Exchange on May 2, 2024 (the business day immediately before the day of the board of directors' decision).

For the disposal value, the rate of deviation from 2,465 yen (fractions omitted), the average of closing prices during the nearest one-month period to the business day immediately prior to the day of the board of directors' decision (April 3, 2024 to May 2, 2024), is 3.69%; the rate of deviation from 2,393 yen (fractions omitted), the average of closing prices during the nearest three-month period (February 5, 2024 to May 2, 2024), is 6.81%; the rate of deviation from 2,384 yen (fractions omitted), the average of closing prices during the period of six months (November 6, 2023 to May 2, 2024), is 7.21% (all the rates of deviation are rounded to the third decimal place).

Considering the above, it is felt that the disposal value of the disposal of treasury shares is reasonable and not

especially favorable to the planned disposal destination.

All of the audit and supervisory board members (four members, of which three are outside audit and supervisory board members) who attended the board of directors meeting expressed an opinion to the effect that the basis on which the disposal value is calculated is reasonable, and the disposal value is not particularly favorable to the planned disposal destination and is legitimate.

4. Matters Regarding Procedures Based on the Corporate Code of Conduct

The Disposal of Treasury Shares does not require receiving the opinion of an independent third party and confirming the intent of shareholders, both of which are specified in Article 432 of the Security Listing Regulations stipulated by the Tokyo Stock Exchange, because of two reasons: (1) the dilution factor is less than 25%; (2) it does not involve the change of controlling shareholders.