

Disposal of Treasury Shares through Third-Party Allotment in Connection with the introduction of the Employee Stock Benefit Trust (J-ESOP)

In connection with the introduction of the 'the Employee Stock Benefit Trust (J-ESOP)' (hereinafter referred to as 'this System') announced on April 19, 2024, the board of directors meeting, held today, resolved to dispose of treasury shares through third-party allotment (hereinafter referred to as 'this Disposal of Treasury Shares') as described below.

1. Summary of Disposal

(1) Disposal Date	June 24, 2024 (Monday)
(2) Type and Number of Shares to be Disposed	Ordinary shares 100,000 shares
(3) Disposal Price	3,215 yen per share
(4) Total Disposal Amount	321,500,000 yen
(5) Method of Disposal	By way of third-party allotment
(6) Planned Disposal Destination	The Bank of Japan Custody Bank (Trust Account E)
(7) Other	This disposal of treasury shares is conditional upon the effectiveness of the securities registration statement under the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposal

The purpose of this Disposal of Treasury Shares is to hold and dispose of our company's shares in the operation of this System, and to dispose of treasury shares to the Trust Account E set up by The Bank of Japan Custody Bank (the trustee of the trust established based on the trust agreement with Mizuho Trust & Banking Co., Ltd. regarding this System, hereinafter referred to as 'this Trust'), as a re-trustee receiving re-trust from Mizuho Trust & Banking Co., Ltd., through third-party allotment.

The number of shares to be disposed of corresponds to the number of shares expected to be granted to employees of our company and some of our group companies during the trust period based on the stock benefit regulations (for the three fiscal years ending March 2025 to March 2027), and as of March 31, 2024, it represents 0.10% of 103,768,142 shares, the total number of issued shares as of that date (0.10% of 1,025,194 which is the total number of voting rights as of March 31, 2024 (both rounded to the third decimal place)).

3. Overview of This Trust

- (1) Name : Employee Stock Benefit Trust (J-ESOP)
- (2) Trustor : Our Company
- (3) Trustee : Mizuho Trust & Banking Co., Ltd.
(Re-trustee: The Bank of Japan Custody Bank)
- (4) Beneficiary : Employees who meet the beneficiary requirements specified in the stock benefit regulations
- (5) Trust Administrator : Selected from our employees
- (6) Type of Trust : Trust of money other than money trust (other benefit trust)
- (7) Purpose of the Trust : To grant beneficiaries the company's shares and the monetary equivalent of the company's shares at market value, based on the stock benefit regulations
- (8) Date of Trust Agreement : June 24, 2024
- (9) Date of Entrusting Money : June 24, 2024
- (10) Duration of the Trust : From June 24, 2024, until the trust ends
(No specific end date is set, and the trust will continue as long as this system continues.)

4. Basis and Specifics of the Calculation of the Disposal Price

Regarding the disposal price, it was based on the closing price of our ordinary shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the board of directors' resolution for this disposal of treasury shares.

The reason for basing it on the closing price on the business day immediately preceding the date of the board of directors' resolution is because it represents our company's fair corporate value in the stock market, and it was deemed rational.

Regarding the disposal price of 3,215 yen, it is an amount obtained by multiplying 99.20% to the average closing price of 3,241 yen (rounded down to the nearest yen) for the most recent 1-month period retracing from the business day immediately preceding the board of directors' resolution date. It is an amount obtained by multiplying 99.88% to the average closing price of 3,219 yen (rounded down to the nearest yen) for the most recent 3 months period retracing from the business day immediately preceding the board of directors' resolution date. It is an amount obtained by multiplying 105.90% to the average closing price of 3,036 yen (rounded down to the nearest yen) for the most recent 6 months period. Considering the above, the disposal price related to this treasury stock disposal is deemed not to be particularly advantageous, but reasonable.

The Audit and Supervisory Committee has expressed the opinion that the process by which our company determined that the above Disposal Price, considering that this disposal of treasury stock is aimed at introducing this System and that the Disposal Price is the closing price of our company's shares on the Tokyo Stock Exchange on the business day immediately preceding the date of our board of directors' resolution related to this disposal of treasury stock, does not correspond to a particularly advantageous payment amount for the disposal destination, this holding company, is rational and that such a determination is appropriate.

5. Matters concerning procedures under the corporate code of conduct

This treasury stock disposal does not require obtaining opinions from independent third parties or shareholder approval procedures as stipulated in Article 432 of the Tokyo Stock Exchange's Securities Listing Regulations, because ① the dilution rate is less than 25%, and ② it does not involve a change of controlling shareholders.

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