

June 27, 2024

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(Securities code: 7199, TSE Prime Market)
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Notice Concerning Disposal of Treasury Shares as Restricted Stock Remuneration

Premium Group Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on June 27, 2024, to dispose of treasury shares as restricted stock remuneration (the "Treasury Share Disposition") as described below.

1. Overview of Disposition

(1) Disposition date	July 26, 2024
(2) Class and number of shares to be disposed	75,000 shares of common stock of the Company
(3) Disposition price	2,181 yen per share
(4) Total disposition amount	163,575,000 yen
(5) Allottees for the shares, number of allottees, and number of shares to be allotted	3 directors of the Company (excluding external directors): 20,250 shares 7 entrusted executive officers who are not directors of the Company: 22,500 shares 3 directors of the Company's subsidiaries: 2,250 shares 5 employees of the Company: 30,000 shares
(6) Other	The Treasury Share Disposition is conditional upon the entry into force of a Securities Registration Statement in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for disposition

At the Board of Directors meeting on May 15, 2019, the Company resolved to introduce a restricted stock remuneration plan (the "Plan") for its directors other than external directors (the "Eligible Directors") for the purpose of giving the Eligible Directors an incentive to pursue sustainable improvement of the Company's corporate value and promoting the sharing of value with shareholders. At the 4th Ordinary General Meeting of Shareholders on June 26, 2019, it was agreed to provide monetary compensation claims to Eligible Directors as monetary remuneration to serve as contributions in kind for acquiring restricted shares under the Plan, based on agenda item no. 4, "Deciding Remuneration for the Purpose of Providing Restricted Shares to Directors."

Furthermore, at the 5th Annual Ordinary Meeting of Shareholders on June 29, 2020, it was agreed to revise the transfer restriction period for restricted shares provided based on the Plan so that it would be "the period from the monetary compensation claim payment date until immediately after the time that the Eligible Director steps down from a position as a director of the Company or a subsidiary of the Company, regardless of the position," for the purpose of further enhancing Eligible Directors' desire to contribute to sustainable improvement of the Company's corporate value and realize the sharing of value with shareholders over as long a period as possible.

In addition, at the 6th Annual Ordinary Meeting of Shareholders on June 29, 2021, it was agreed to revise the remuneration framework for the monetary compensation claims provided to Eligible Directors to 50 million yen or less per year. (These revisions apply to restricted shares provided based on the Plan following the revisions' approval. There is no change to the transfer restriction period for restricted shares already provided at the time the revisions were approved.)

Moreover, at the 7th Annual Ordinary Meeting of Shareholders on June 29, 2022, it was agreed to revise the above remuneration framework to 200 million yen or less per year. After consulting with the Nomination and Compensation Committee, the Company also resolved at its Board of Directors meeting on June 29, 2022, to apply the Plan to entrusted executive officers who are not directors of the Company (the "Eligible Executive Officers") and provide restricted shares to them as well as the Eligible Directors for the purpose of providing them with an incentive to pursue sustainable improvement of the Company's corporate value and promoting the further sharing of value with shareholders.

In addition, at the Board of Directors meeting on June 28, 2023, it was resolved to provide restricted shares to directors of the Company's subsidiaries as well as the Eligible Directors and Eligible Executive Officers (the "Eligible Subsidiary Directors"; along with the Eligible Directors and Eligible Executive Officers, collectively referred to as "Eligible Directors, etc.>").

Furthermore, it was resolved to introduce an incentive plan using restricted shares for employees of the Company (the "Eligible Employees"; along with the Eligible Directors, etc., collectively referred to as "Allottees") as an incentive for them to further pursue improvement of the Company's corporate value and share value and for the purpose of increasing their desire to participate in management due to sharing the benefits and risks of changes in share prices with the Company's shareholders.

An overview of the Plan, etc. is provided below.

Overview of the Plan, etc.

Eligible Directors, etc. pay all monetary compensation claims provided by the Company based on the Plan as contributions in kind and receive the issuance or disposition of common shares of the Company. The total number of common shares issued or disposed of to Eligible Directors based on the Plan is 30,000 shares or less per year, and the paid-in amount per share is determined by the Board of Directors within a range that is not favorable to the Eligible Directors receiving the common shares. The closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the date of the relevant Board of Directors resolution concerning the issuance or disposition of common shares is used as a basis (or the closing price on the most recent trading day, if there was no trading on the previous day).

Eligible Employees pay all monetary compensation claims provided by the Company based on the Plan as contributions in kind and receive the issuance or disposition of common shares of the Company.

When issuing or disposing of common shares based on the Plan, a restricted share allotment agreement is concluded between the Company and the Allottees, whose provisions include the following: 1) Eligible Directors, etc. shall not transfer, create security interests for, or otherwise dispose of common shares of the Company allotted to them under the allotment agreement for a fixed period of time, and 2) if certain circumstances arise, the Company shall acquire without contribution the applicable common shares.

At the present time, based on a resolution at the Board of Directors meeting held today, the Company shall provide total monetary compensation claims of 163,575,000 yen (the "Monetary Compensation Claims") to the Allottees, including 44,165,250 yen to the Eligible Directors, 49,072,500 yen to the Eligible Executive Officers, 4,907,250 yen to the Eligible Subsidiary Directors, and 65,430,000 yen to the Eligible Employees, after taking into consideration the Plan's purpose, the Company's performance, the scope of the Eligible Directors, etc.'s responsibilities, and various other circumstances. Based on contributions in kind of the Monetary Compensation Claims, a total of 75,000 common shares, including 20,250 shares for Eligible Directors, 22,500 shares for Eligible Executive Officers, 2,250 shares for Eligible Subsidiary Directors, and 30,000 shares for Eligible Employees, will be provided via the Treasury Share Disposition.

In the Treasury Share Disposition, based on the Plan, the 18 Allottees for whom the allotment is intended will pay all the Monetary Compensation Claims to the Company as contributions in kind and receive disposition of treasury shares in the form of common shares of the Company (the "Allotted Shares"). An overview of the restricted share allotment agreement (the "Allotment Agreement") concluded between the Company and the Allottees for the Treasury Share Disposition is provided in Item 3 below.

3. Overview of Allotment Agreement

(1) Transfer restriction period

For Eligible Directors, etc. the period shall be from July 26, 2024 (the payment date of the Monetary Compensation Claims) until immediately after the time that the Eligible Director steps down as a director, executive officer, executive officer who is not a director, auditor, employee (including non-permanent employees), advisor, or consultant of the Company or a subsidiary of the Company or other equivalent position. (Hereinafter, the office or position held by Eligible Directors, etc. during the restricted transfer period shall be referred to as the "Position Related to Service Provision.")

Eligible Employees cannot transfer the shares during the period from July 26, 2024 (the payment date of the Monetary Compensation Claims) until July 25, 2029 (the "Transfer Restriction Period").

(2) Lifting of transfer restriction

The transfer restriction shall be lifted for all the Allotted Shares at the end of the Transfer Restriction Period, conditional upon remaining in the Position Related to Service Provision, whether a director, executive officer, executive officer who is not a director, auditor, employee (including non-permanent employees), advisor, or consultant of the Company or a subsidiary of the Company or other equivalent position, throughout the period from the payment date to immediately before the close of the first Annual Ordinary Meeting of Shareholders held after that date for Eligible Directors or the period from the payment date to the end of the first term of office reached after that date for Eligible Executive Officers and Eligible Subsidiary Directors (the "Service Provision Period") or during the Transfer Restriction Period for Eligible Employees.

(3) Handling of cases in which Allottees vacate or step down from their position due to completion of their term of office, death, retirement, or another valid reason during the Service Provision Period or Transfer Restriction Period

(i) Timing of lifting transfer restriction

If Eligible Directors, etc. vacate or step down from the Position Related to Service Provision due to completion of their term of office, death, or another valid reason, the transfer restriction shall be lifted at the time the transfer restriction period ends.

If Eligible Employees vacate or step down from their position due to death, the transfer restriction shall be lifted at a time determined separately by the Board of Directors. However, if they vacate or step down from their position for another valid reason, the transfer restriction shall be lifted immediately after they vacate or step down from their position.

(ii) Number of shares subject to lifting of transfer restriction

For Eligible Directors, The number of shares shall be the number obtained by multiplying the number of Allotted Shares held at the time of vacating or immediately after stepping down from the position specified in (i) by the number obtained by dividing the number of months from the month in which the payment date falls to the month in which the date of vacating or stepping down from the positions falls by 12 (if the result is more than 1, it shall be considered to be 1). (If a fraction of less than 1 share occurs, the calculation result shall be rounded down).

For Eligible Employees, The number of shares shall be the number obtained by multiplying the number of Allotted Shares held at the time of vacating or stepping down from the position specified in (i) by the number of months from the month including the payment date to the month including the date of such retirement or resignation divided by the number of months pertaining to this Restricted Period (if the result is more than 1, it shall be considered to be 1). (If a fraction of less than 1 share occurs, the calculation result shall be rounded down).

(4) Acquisition without contribution by the Company

At the end of the transfer restriction period, as a matter of course, the Company shall acquire without contribution Allotted Shares for which the transfer restriction has not been lifted. Furthermore, as a matter of course, the Company shall acquire without contribution all Allotted Shares if, during the transfer restriction period, the Allottee: (i) is sentenced to imprisonment or more severe punishment, (ii) files a petition to start bankruptcy proceedings, civil rehabilitation proceedings, or other equivalent proceedings, (iii) is subject to a petition for seizure, provisional seizure, provisional disposition, compulsory execution, or auction or subject to a disposition of delinquency for taxes and dues, (iv) vacates or steps down from a position as a director, executive officer, executive officer who is not a director, auditor, employee, advisor, or consultant of the Company or a subsidiary of the Company or other equivalent position without a valid reason, thereby forfeiting their eligibility for the restricted stock remuneration plan, or (v) is deemed by the Company's Board of Directors to have violated an important point of the law, the Company's internal regulations, or the Allotment Agreement. In addition, as a matter of course, the Company shall acquire without contribution all the Allotted Shares, based on a written notification from the Company to the Eligible Director, etc., if any of the following occur during the transfer restriction period: (i) the Eligible Director, etc. engages in business that competes with the Premium Group's business without the Company's prior consent, (ii) the Company's Board of Directors decides that it is appropriate for the Company to acquire without contribution all the Allotted Shares as a result of the Company's compensation plan for Eligible Directors, etc. being revised and the basic annual income of the Eligible Director, etc. decreasing, or (iii) the Company's Board of Directors decides that it is appropriate for the Company to acquire without contribution all the Allotted Shares for another reason.

(5) Management of shares

During the transfer restriction period, the Allotted Shares shall be managed in dedicated accounts opened by the Allottees at Nomura Securities Co., Ltd. so that it is not possible to transfer, create security interests for, or otherwise dispose of the shares during said period. To ensure the effectiveness of transfer restrictions on the Allotted Shares, the Company has concluded agreements with Nomura Securities Co., Ltd. related to managing the accounts for the Allotted Shares belonging to each Allottee. Furthermore, the Allottees shall consent to the specific details of managing the applicable accounts.

(6) Handling of organizational restructuring, etc.

For Eligible Directors, If, during the transfer restriction period, a merger agreement in which the Company is the absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matters concerning organizational restructuring, etc. are approved by a General Meeting of Shareholders of the Company (or by the Company's Board of Directors if the approval of the General Meeting of Shareholders is not required for the applicable organizational restructuring, etc.), the transfer restriction shall be lifted based on a resolution of the Board of Directors immediately prior to the business date before the effective date of the organizational restructuring, etc. The number of shares for which the transfer restriction will be lifted shall be the number of shares obtained by multiplying the number of Allotted Shares held at the time of the resolution by the number obtained by dividing the number of months from the month in which the payment date falls to the month in which the date of the above approval falls by 12 (if the number exceeds 1, it will be considered to be 1). (If a fraction of less than 1 share occurs, the calculation result shall be rounded down.)

Moreover, as a matter of course, the Company shall acquire without contribution all of the Allotted Shares for which the transfer restriction has not been lifted immediately after the transfer restriction is lifted.

For Eligible Employees, If, during the transfer restriction period, a merger agreement in which the Company is the absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matters concerning organizational restructuring, etc. are approved by a General Meeting of Shareholders of the Company (or by the Company's Board of Directors if the approval of the General Meeting of Shareholders is not required for the applicable organizational restructuring, etc.), the transfer restriction shall be lifted based on a resolution of the Board of Directors immediately prior to the business date before the effective date of the organizational restructuring, etc. The number of shares for which the transfer restriction will be lifted shall be the number of shares obtained by multiplying the number of Allotted Shares held at the time of the resolution the number obtained by dividing by the number of months from the month including the payment date to the month including the date of such retirement or resignation divided by the number of months pertaining to this Restricted Period (if the result is more than 1, it shall be considered to be 1). (If a fraction of less than 1 share occurs, the calculation result shall be rounded down).

Moreover, as a matter of course, the Company shall acquire without contribution all of the Allotted Shares for which the transfer restriction has not been lifted immediately after the transfer restriction is lifted.

4. Basis of calculating payment or disposition amount and details

The Treasury Share Disposition to the scheduled allottees shall be conducted by using monetary compensation claims provided based on the Plan as restricted stock remuneration for the 10th fiscal period of the Company as contributions in kind. In order to set a price with arbitrariness eliminated, the disposal price shall be 2,181 yen, which is the closing price for common shares of the Company on the TSE Prime Market on June 26, 2024 (the business date before the date of the Board of Directors resolution). This is the market price on the date immediately before the Board of Directors resolution, which is considered to be a reasonable and not especially favorable price.