

June 25, 2024

IMAGICA GROUP Inc.

Representative Director, President and CEO: Shunjiro Nagase

1-14-2 Kaigan Minato-ku, Tokyo

Securities code: 6879 TSE Prime Market

Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation for Directors, etc.

At its Board of Directors meeting held today, the Company resolved to dispose of treasury stock as restricted stock compensation for directors, etc. (the "Treasury Stock Disposal"), as follows.

1. Overview of disposal

(1) Payment date	July 25, 2024
(2) Class and number of shares subject to disposal	Common stock of the Company 96,553 shares
(3) Disposal price	551 yen per share
(4) Total disposal value	53,200,703 yen
(5) Scheduled allottees	3 directors of the Company* 44,469 shares *Excluding Chairman of the Board of Directors, outside directors, and directors who are Audit and Supervisory Committee members 5 executive officers of the Company 41,574 shares 1 director of a subsidiary 10,510 shares

2. Purpose and reasons for disposal

As resolved at the Board of Directors meeting of the Company held on June 25, 2024, as well as at the Board of Directors' meeting of a subsidiary held on June 25, 2024, the Company decided to pay 53,200,703 yen in monetary compensation claims (or monetary claims) (the "Monetary Compensation Claims, etc.") and consequently, grant 96,553 shares of common stock of the Company (the "Allotted Shares") as disposal of treasury stock, to three directors (excluding Chairman of the Board of Directors, outside directors, and directors who are Audit and Supervisory Committee members) (the "Eligible Directors") and five executive officers of the Company, as well as one representative director of the Company's subsidiary (together with Eligible Directors and executive officers, collectively referred to as the "Eligible Directors, etc.>").

Related to the above point, the Company, at the Board of Directors meeting held on May 24, 2018, resolved to introduce a restricted stock compensation plan (the "Plan") for Eligible Directors as a new system of compensation with the objective of providing such Eligible Directors with an incentive to continuously improve the Company's corporate value and shareholder value over the medium to long term, and to further promote value sharing with shareholders.

In addition, at the 45th Ordinary General Meeting of Shareholders held on June 26, 2018, the Company received approval to grant monetary compensation claims of up to 200,000 thousand yen per year to the Eligible Directors as property contributed in kind for the grant of restricted stock under the Plan, separate from the existing monetary compensation limit, and the period of transfer restriction to be from three to five years, as determined by the Board of Directors of the Company.

Furthermore, a similar system was implemented for a director of the Company's subsidiary.

The Eligible Directors, etc. will pay all of the Monetary Compensation Claims, etc. as property contributed in kind and then will receive the Allotted Shares. In addition, in accordance with the Treasury Stock Disposal, the Company and Eligible Directors, etc. shall conclude a Restricted Stock Allotment Agreement (the "Allotment Agreement"), on an individual basis, as follows.

(1) Transfer restriction period

The Eligible Directors, etc. shall not transfer, pledge as collateral, or otherwise dispose of the Allotted Shares between July 25, 2024 (the date of property allotment) and July 25, 2027.

(2) Termination conditions of the transfer restrictions

On the condition that the Eligible Directors, etc. continuously hold the position of director, executive officer, Audit and Supervisory Committee member or employee of the Company or its subsidiary during the transfer restriction period, the restriction on transfer of all of the Allotted Shares shall be terminated upon the expiration date of the transfer restriction period. In the event that the Eligible Directors, etc. lose their position as a director, executive officer, Audit and Supervisory Committee member, or employee of the Company or its subsidiary due to the expiration of their term of office, death, or any other reason deemed reasonable by the Board of Directors of the Company, the transfer restriction shall be terminated with respect to all Allotted Shares as of the expiration of the transfer restriction period.

(3) Acquisition without compensation by the Company

The Company shall acquire, as a matter of course, the Allotted Shares for which the transfer restriction has not been terminated, without compensation at the expiration of the transfer restriction period or immediately after the Eligible Director, etc. loses their position as a director, executive officer, Audit and Supervisory Committee member or employee of the Company or its subsidiary during the transfer restriction period.

(4) Management of shares

The Allotted Shares shall be managed in a dedicated account for restricted stock opened by the Eligible Directors, etc. at Daiwa Securities Co. Ltd. during the transfer restriction period so that the Allotted Shares may not be transferred, pledged as collateral or otherwise disposed of during the transfer restriction period.

(5) Procedures in the event of organizational restructuring, etc.

If a merger agreement in which the Company will be the absorbed company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary, or any other matter related to organizational restructuring or the like is approved at the Company's General Meeting of Shareholders (or by the Board of Directors where such organizational restructuring, etc. does not require approval of the General Meeting of Shareholders of the Company) during the transfer restriction period, the Company shall, by resolution of the Board of Directors, cancel the restrictions on transfer of the Allotted Shares as of the time immediately preceding the business day before the effective date of the organizational restructuring, etc. with respect to the number of Allotted Shares obtained by multiplying the number of Allotted Shares held at that time by the number obtained by dividing the number of months from the month of the payment date to the month that includes the date of the approval of such organizational restructuring by 36 (any fraction of a share resulting from the calculation shall be rounded down).

3. Basis of calculating the amount to be paid in and other specific details

The Treasury Stock Disposal is to be conducted with the Monetary Compensation Claims, etc. paid to the scheduled allottees under the Plan as the property to be contributed, and the amount to be paid is 551 yen per share, which is the closing price of the Company's common stock on the Tokyo Stock Exchange as of June 24, 2024, in order to eliminate any arbitrariness in price. This is the market share price immediately before the date of the resolution of the Board of Directors, and in the absence of special circumstances indicating that the most recent share price cannot be relied upon, we believe that this is a reasonable price that appropriately reflects the Company's corporate value and does not constitute a particularly favorable price for the Eligible Directors, etc.