



September 25, 2024

To whom it may concern,

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Representative: Nobuo Domae, President and Representative Director
(Code number 7453, Prime market of the Tokyo Stock Exchange)
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Announcement of a Disposal of Treasury Stock through a Third-party Allotment in Conjunction with the Introduction of a Trust-type Employee Shareholding Incentive Plan (E-Ship®)

Ryohin Keikaku Co., Ltd. (the “Company”) announces that it has resolved at the Board of Directors meeting held today to execute a disposal of treasury stock through a third-party allotment of shares, as described below.

1. Overview of the disposal

(1) Disposal date	October 25, 2024
(2) Class and number of shares to be disposed of	Common shares of the Company: 1,056,900shares
(3) Disposal price	¥2,605.5 per share
(4) Total value of shares to be disposed of	¥2,753,752,950
(5) Disposal method	Through a third-party allotment
(6) Subscriber	The Nomura Trust and Banking Co., Ltd. (Ryohin Keikaku Employee Shareholding Incentive Plan Trust Account (the “E-Ship Trust”))
(7) Others	This disposal of treasury stock is conditional upon the securities registration statement filed under the Financial Instruments and Exchange Act taking effect.

2. Purpose and reason for the disposal

The Company resolved at the Board of Directors meeting held today to introduce a Trust-type Employee Shareholding Incentive Plan (E-Ship®) (hereinafter the “Plan”) for the purpose of giving an incentive to the employees of the Company to enhance corporate value in the medium- to long-term, improving their benefits, and encouraging steady growth of the Company by elevating their work motivation through capital participation as shareholders.

For an overview of the Plan, please refer to the “Announcement of the Introduction of a Trust-type Employee Shareholding Incentive Plan (E-Ship®),” dated today. The treasury stock will be disposed of to Nomura Trust and Banking Co., Ltd. (Ryohin Keikaku Employee Shareholding Incentive Plan Trust Account) to be established for the introduction of the Plan.

The number of shares to be disposed of will be equivalent to the number of shares calculated by setting the number of

shares likely to be purchased annually based on the actual purchases of the Ryohin Keikaku Employee Shareholding Association (the “Shareholding Association”) (the most recent monthly purchases and actual amounts of bonus purchases and reinvestments of dividends) converted into annual purchase amounts, after which the number of shares likely to be purchased by the Shareholding Association during the trust term (approximately three years) is calculated and divided by the disposal price.

Furthermore, while there will be a certain level of dilution through this disposal of treasury stock, given that the treasury stock will be gradually transferred in small amounts from the E-Ship Trust each month, which is the allottee, to the Shareholders Association, the effects of this disposal of treasury stock are expected to be minimal and the level of dilution to be reasonable. The level of dilution will be as follows:

Number of issued and outstanding shares (as of August 31, 2024)	280,780,000 shares	0.38%
Total number of voting rights (as of August 31, 2024)	2,760,304	0.38%

Overview of the E-Ship Trust

- (1) Trustor: The Company
- (2) Trustee: The Nomura Trust and Banking Co., Ltd.
- (3) Beneficiaries: Those who meet the beneficiary eligibility requirements (certain prescribed procedures must be completed after occurrence of the events determining the beneficial interests)
- (4) Trust administrator: To be selected from the employees of the Company
- (5) Trust contract date: September 25, 2024
- (6) Trust term: September 25, 2024, to September 21, 2027
- (7) Purpose of the trust: Stable and continuous supply of shares to the Shareholding Association and distribution of trust assets to those who meet the beneficiary eligibility requirements
- (8) Exercise of voting rights: The trustee will exercise voting rights with respect to the Company’s shares, based on the instructions from the Trust Administrator.

3. Basis for calculating the amount to be paid and specific details thereof.

The purpose of this disposal of treasury stock is to introduce the Plan, which is a shareholding program for employees. To ensure non-arbitrary valuation, the disposal price shall be set at ¥2,605.5, the closing price of the Company’s shares on the Tokyo Stock Exchange on September 24, 2024 (the business day immediately preceding the date of the resolution by the Board of Directors). This is the market price immediately preceding the resolution of the Board of Directors and in the absence of any special conditions that would indicate that the immediately preceding stock price cannot be relied on, it is considered to be a reasonable price that properly reflects the Company’s corporate value and is not particularly favorable to the scheduled allottee. Note that the above method of calculating the amount to be paid is in accordance with the Rules Concerning Handling of Allotment of New Shares to Third Party of the Japan Securities Dealers Association. The rate of divergence between this price and the average daily closing price on the Tokyo Stock Exchange is as follows (rounded off to two decimal places).

	Average closing price (rounded down to the nearest yen)	Rate of divergence
1 month (August 23, 2024, to September 24, 2024)	¥2,670	-2.42%
3 months (June 25, 2024, to September 24, 2024)	¥2,672	-2.49%
6 months (March 25, 2024, to September 24, 2024)	¥2,590	0.60%

(Note) As August 25, 2024, was a holiday, August 23, 2024, which was the immediately preceding business day, was used for the calculation of the closing price.

Regarding the above disposal price, the four Corporate Auditors (including three Outside Corporate Auditors) attending the meeting of the Board of Directors unanimously expressed the opinion to the effect that the disposal price is not particularly favorable to the allottees, and that the process by which the decision was reached was reasonable and the decision was legitimate, given that this disposal of treasury stock was for the purpose of introducing the Plan and that the above disposal prices was the closing price of the Company's shares immediately preceding the date of the resolution of the Board of Directors.

4. Procedures under the Corporate Code of Conduct

In this disposal of treasury stock, (i) the resulting dilution rate is less than 25%, and (ii) there will be no ensuing changes in the controlling shareholders (even if all new shares subscription rights or all rights to acquire are exercised, no change in the status of the controlling shareholders is expected). Consequently, this disposal of treasury stock does not require the opinion of an independent third party or the approval of the shareholders, as prescribed in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.