



September 26, 2024
Integrated Design & Engineering Holdings Co., Ltd.
(Securities Code: 9161, Prime Market of TSE)

Notice Regarding Issuance of New Shares as Restricted Stock Compensation to Directors

Integrated Design & Engineering Holdings Co., Ltd. (Tokyo Stock Exchange: 9161; the “Company”) hereby announces that the Board of Directors resolved at its meeting held on September 26, 2024, to issue new shares as restricted stock compensation (the “New Share Issuance”) as follows:

1. Outline of the issuance

(1)	Payment date	October 25, 2024
(2)	Class and number of shares to be issued	3,177 shares of the Company’s common stock
(3)	Issuance price	4,290 yen per share
(4)	Total amount of issuance	13,629,330 yen
(5)	Scheduled allottees	Two (2) Directors* of the Company 3,177 shares *Excluding Outside Directors and Directors who also serves as Executive Officers

2. Purpose and reason for the issuance

The Board of Directors resolved at its meeting held on July 3, 2023, to introduce a new share-based compensation plan (the “Plan”) that grants restricted stocks to Directors (excluding Outside Directors) and Executive Officers (excluding non-residents of Japan and non-Japanese) to make them share benefits and risks of stock price fluctuations with shareholders and increase their motivation to contribute to stock price appreciation and corporate value enhancement to a greater extent than before.

At the Board of Directors meeting held today, the Company resolved that it shall provide monetary compensation claims of 13,629,330 yen to two Directors of the Company (excluding Outside Directors and Directors who also serve as Executive Officers; “Eligible Officers”) taking into consideration the purpose of the Plan, the contribution and responsibility of each Eligible Officer to the Company, and other various circumstances, and by having each Eligible Officer make a contribution in kind to the Company using all the monetary compensation claims as contributed assets, the Company shall allocate 4,290 shares of its common stock to each Eligible Officer as specified restricted stocks. Such monetary compensation claims will be paid subject to conditions including that each Eligible Officer agrees to the allotment of shares with transfer restrictions that encompass, in general terms, the following details (the “Allotment Agreement”) with the Company.

The restricted stock compensation is subject to a three-year restriction period.

3. Outline of Allotment Agreement

(1) Restriction period

October 25, 2024 to October 24, 2027

During the transfer restriction period set forth above (the "Restriction Period"), the Eligible Officers may not transfer, pledge, create a security interest on, or make a living donation, bequest, or any other disposition of such restricted stocks to any third party.

(2) Acquisition of restricted stocks without contribution

If an Eligible Officer resigns from Director of the Company before the Restriction Period expires, the Company shall, as of the time of the retirement, automatically acquire the restricted stocks allotted to such Eligible Officer (the "Allotted Shares") without contribution, unless there is a reason that the Board of Directors of the Company deems justifiable (such as expiration of the term of office).

In addition, if there are any Allotted Shares whose transfer restrictions have not been removed at the expiration of the Restriction Period (the "Time of Expiration") in accordance with the provisions of (3) below, the Company shall automatically acquire such Allotted Shares without contribution as of the time immediately following the Time of Expiration.

(3) Removal of Transfer Restrictions

Upon the Time of Expiration, the Company shall remove the transfer restrictions on all of the Allotted Shares held by the Eligible Officer at the Time of Expiration on the condition that the Eligible Officer has remained in the position of Director of the Company throughout the Restriction Period. However, suppose the Eligible Officer resigns as a Director of the Company before the Restriction Period expires deemed legitimate by the Company's Board of Directors (such as expiration of the term of office). In that case, the Company shall immediately, following the resignation, remove the transfer restrictions on the number of Allotted Shares calculated by multiplying the number, which is the number of months from October 2024 to the month that includes the date on which the Eligible Officer resigns as a Director of the Company divided by 12 (or one if the calculation result exceeds 1), by the number of the Allotted Shares held by the Eligible Officer as of the relevant time (however, if the calculation results in a fraction less than one share, such fraction shall be rounded down).

(4) Provisions for management of shares

The Eligible Officers shall complete the opening of an account with SMBC Nikko Securities Inc. in a manner designated by the Company to state or record the Allotted Shares and shall keep and maintain the Allotted Shares in such account until the transfer restrictions are removed.

(5) Treatment in Reorganization, etc.

During the Restriction Period, if a merger proposal in which the Company will become 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 Reorganization is approved by the General Meeting of Shareholders of the Company (or

the Company's Board of Directors in cases where approval by the General Meeting of Shareholders is not required concerning said Reorganization). In that case, the Company shall, upon resolution of the Board of Directors of the Company, remove the transfer restrictions, as of the time immediately before the business day preceding the effective date of the Reorganization, on the number of Allotted Shares calculated by multiplying the number, which is the number of months from October 2024 to the month that includes the date of approval for said Reorganization divided by 12 (or one if the calculation result exceeds 1), by the number of the Allotted Shares held by the Eligible Officers as of the date of approval for said Reorganization (however, if the calculation results in a fraction less than one share, such fraction shall be rounded down).

In such case, as of the business day immediately before the effective date of the Reorganization, the Company shall automatically acquire, without contribution, all of the Allotted Shares whose transfer restrictions have not been removed by the provisions above as of the same date.

4. Basis for calculation of the amount to be paid and specifics thereof

To eliminate arbitrariness in determining the issue price, the new share issuance price is set at 4,290 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on September 25, 2024 (the business day immediately before the date of the Board of Directors' resolution). This is the market price of the Company's common stock immediately before the date of the Board of Directors' resolution, and the Company considers the price to be reasonable and not a particularly advantageous price for the Eligible Officers that properly reflects the Company's corporate value in a state where there are no particular circumstances under which the foregoing price does not rely upon the most recent stock price.

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