



May 9, 2025

Company name: DAI-DAN CO., LTD.
 Representative: Yasuhiro Yamanaka, Representative Director,
 President, and Corporate Officer
 (Securities code: 1980; Prime Market of the
 Tokyo Stock Exchange)
 Inquiries: Yoji Sasaki, Senior Corporate Officer CIO
 and Head of General Administrative Division
 (Telephone: +81-6-6447-8003)
 (URL: <https://www.daidan.co.jp/> (in
 Japanese))

Notice Concerning Disposal of Treasury Shares as Restricted Stock Incentive for Employees Stock Ownership Association

DAI-DAN CO., LTD. (the “Company”) hereby announces that at the meeting of the Board of Directors held today, the Company resolved to dispose of its treasury shares as restricted stock to Dai-Dan Employee Stock Ownership Association (the “Stock Association”) as the scheduled allottee (the “Disposal of Treasury Shares” or the “Disposal”) pursuant to the Plan.

1. Outline of the Disposal

(1)	Date of the Disposal	August 28, 2025
(2)	Class and number of shares to be disposed of	Common shares of the Company: 195,000 shares (Note)
(3)	Disposal price	4,260 yen per share
(4)	Total value of shares to be disposed of	830,700,000 yen (Note)
(5)	Disposal method (Scheduled allottee)	The number of shares applied for, determined by the Stock Association, shall be allotted to the Stock Association within the range of shares to be disposed of, stated in (2) above, through third-party allotment method under the condition that the Stock Association apply for subscription (Said number of allotted shares will be the number of shares to be disposed of). (Dai-Dan Stock Ownership Association: 195,000 shares)
(6)	Other	The Company has submitted an extraordinary report regarding the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

(Note) The “number of shares to be disposed of” and the “total value of shares to be disposed of” are calculated based on the assumption that 100 shares of common shares of the Company will be granted to each of the 1,950 employees of the Company, which is the maximum number of individuals who may be eligible for the Plan, as restricted stock. The actual number of shares to be disposed of and the total value of shares to be disposed of will be determined based on the number of employees of the Company who have agreed with the Plan (the “Eligible Employees”) (up to 1,950 employees) after the promotion for joining the Stock Association to employees who have not yet participated and the confirmation of consent to the Plan of members of the Stock Association are completed. Specifically, as stated in (5) above, the number of shares applied for, determined by the Stock Association, will be the “number of shares to be disposed of.” The amount calculated by multiplying said number by the price to be disposed of per share will be the “total value of shares to be disposed of.” The Company will provide each Eligible Employee with a uniform monetary claim of 426,000 yen and allot a uniform 100 shares to each Eligible Employee through the Stock Association.

2. Purposes and reasons for the Disposal

At the meeting of the Board of Directors held today, the Company resolved to introduce a plan that created an opportunity for the Eligible Employees, among employees of the Company who were members of the Stock Association and eligible for a special incentive money, to acquire common shares that the Company would issue or dispose of as restricted stock through the Stock Association as a measure to enhance employee welfare for the Eligible Employees. The Plan aims to not only give the Eligible Employees an incentive for continuously attempting to enhance the Company's corporate value but also encourage the Eligible Employees to further share value with shareholders of the Company in addition to supporting the asset building of the Eligible Employees. The overview, etc. of the Plan are as below.

[Overview, etc. of the Plan]

Under the Plan, a monetary claim (the "Special Incentive Money") will be granted by the Company to the Eligible Employees as a special incentive money for granting 100 shares to each person as restricted stock, and the Eligible Employees will contribute the Special Incentive Money to the Stock Association. Then, the Stock Association will pay the Special Incentive Money, contributed by the Eligible Employees, to the Company as contribution in kind, to receive the Company's common share that will be issued or disposed of as restricted stock.

When the Company's common shares are newly issued or disposed of under the Plan, the paid-in amount per share of said common share will be determined by the Board of Directors within a range that is not particularly advantageous to the Stock Association (consequently to the Eligible Employees) based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of a resolution at a meeting of the Board of Directors on the issuance or disposal (the closing price of the most recent trading day prior to that day if no transaction is executed on that day).

When the Company issues or dispose of its common shares under the Plan, the Company and the Stock Association will enter into a restricted stock allotment agreement that includes provisions such as that (1) the Stock Association is prohibited to transfer allotted shares to a third party, create a security interest thereon, or otherwise dispose of allotted shares for a certain period of time ("Transfer Restrictions") and (2) that the Company shall acquire the allotted shares without contribution if certain circumstances arise. The Special Incentive Money for Eligible Employees will be paid on the condition that the Company and the Stock Association enter into the restricted stock allotment agreement.

In accordance with the Regulations on the Stock Ownership Association and Detailed Regulations on Operation of the Stock Ownership Association relating to the Stock Association (the "Stock Association Regulations, etc.") (Note), the Eligible Employees will be restricted from the withdrawal related to their member equity interest pertaining to the restricted stock that they will come to hold in accordance with the monetary claim that is contributed to the Stock Association (the "Restricted Stock Equity Interest" or the "RS Equity Interest") until Transfer Restrictions are lifted.

(Note) Prior to the Disposal of Treasury Shares, the Stock Association plans to resolve to amend the Stock Association Regulations, etc. to align with the Plan at its board meeting to be held promptly after the resolution on the Disposal of Treasury Shares at a meeting of Board of Directors. Such amendment is scheduled to become effective when two weeks have elapsed after the notice is sent to members of the Stock Association in accordance with the Stock Association Regulations, etc. after the resolution at said board meeting, and objection from members of the Stock Association are less than one-third (1/3) of the total members of the Stock Association.

With respect to the Disposal of Treasury Shares, the Stock Association, which is the scheduled allottee, will pay all of the Special Incentive Money, contributed by the Eligible Employees, as contribution in kind, based on the Plan, whereby, common shares of the Company (the Allotted Shares) will be disposed of to the Stock Association. The overview of the restricted stock allotment agreement that will be entered into between the Company and the Stock Association (the "Allotment Agreement") related to the Disposal of Treasury Shares is in "3. Overview of the Allotment Agreement" described below. The number of shares to be disposed of concerning the Disposal of Treasury Shares will be determined at a later date, as described at (Note) in 1 above, and is scheduled to be 195,000 shares if all employees of the Company, which is 1,950 people, the maximum number that can be eligible for the Plan, join the Stock Association and agree with the Plan. The scale of dilution of shares due to the Disposal of Treasury

Shares based on the number of shares to be disposed of is 0.42% to the total number of issued stock of 45,963,802 shares as of March 31, 2025 (rounded off to two decimal places. The same applies hereinafter in the calculation of percentages) and 0.45% to the total number of voting rights of 431,142 units as of March 31, 2025.

The introduction of the Plan is intended to create an opportunity for the Eligible Employees to acquire common shares of the Company that the Company will issue or dispose of as restricted stock through the Stock Association thereby not only giving the Eligible Employees an incentive for continuously attempting to enhance the Company's corporate value but also encourage the Eligible Employees to further share value with shareholders of the Company in addition to supporting the asset building of the Eligible Employees, as a measure to enhance employee welfare for the Eligible Employees. Accordingly, the Company believes that the Plan will contribute to maximizing its corporate value and concludes that the number of shares to be disposed of in the Disposal of Treasury Shares and the scale of dilution of shares are reasonable and that the impact on the market will be insignificant after even taking the scale of dilution into account.

Please note that the Disposal of Treasury Shares will be executed on the condition that the Stock Association Regulations, etc. that will be amended become effective by the day immediately preceding the date of disposal related to the Disposal of Treasury Shares, and that the Allotment Agreement will be entered into between the Company and the Stock Association within the prescribed period.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From August 28, 2025 to May 31, 2028

(2) Conditions for lifting of Transfer Restrictions

On the condition that the Eligible Employees have been members of the Stock Association on a continuous basis during the transfer restriction period, Transfer Restrictions shall be lifted at the expiration of the transfer restriction period for all of the number of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employees who have satisfied such conditions.

(3) Treatment upon terminating the membership of the Stock Association

If an Eligible Employee withdraws from the Stock Association during the transfer restriction period because he/she leaves the Company due to mandatory retirement or other justifiable reasons (referring to cases where Eligible Employees lose membership or apply for withdrawal including the case of withdrawal due to death.), the Company will lift Transfer Restrictions on the date when the Stock Association receives an application for withdrawal from said Eligible Employee (The date of losing membership in the case of losing said membership [the date of death in the case of withdrawal due to death]. The "Date of Receipt of Withdrawal Application") for all of the number of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by said Eligible Employee as of the Date of Receipt of Withdrawal Application.

(4) Treatment of Eligible Employees becoming non-residents

If the Company decides on matters that make an Eligible Employee fall upon the category of non-residents during the transfer restriction period due to overseas assignment, etc., Transfer Restrictions will be lifted for all of the number of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by said Eligible Employee on the date when said decision has been made (the "Date of Determination of Overseas Assignment, etc.").

(5) Acquisition without contribution by the Company

If an Eligible Employee violates laws and regulations or falls into other certain events stipulated by the Allotment Agreement during the transfer restriction period, the Company will justifiably acquire without contribution all of the number of Allotted Shares, corresponding to the Restricted Stock Equity Interest held by said Eligible Employee, at that time. In addition, the Company will also justifiably acquire without contribution the Allotted Shares for which Transfer Restrictions are not lifted as of the expiration of the transfer restriction period or the time of lifting Transfer Restrictions stipulated in (3) or (4) above.

(6) Management of shares

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account opened by the Stock Association at Nomura Securities Co., Ltd. to prevent transfers, the creation of security interest on or other disposal procedures of the Allotted Shares during that period. Furthermore, pursuant to the provisions of the Stock Association Regulations, etc., the Stock Association shall register and manage the Restricted Stock Equity Interest separately from other membership interests held by the Eligible Employees (“Ordinary Interests”).

(7) Treatment upon organizational restructuring and other events

If, during the transfer restriction period, a merger agreement under which the Company shall become a non-surviving company, a share exchange agreement, a share transfer plan or other matters relating to organizational restructuring, etc. under which the Company shall become a wholly owned subsidiary are approved at a general meeting of shareholders of the Company (or by the Board of Directors of the Company in case the approval by a general meeting of shareholders is not required for such organizational restructuring, etc.), Transfer Restrictions shall be lifted on the business day immediately preceding the date of organizational restructuring, etc. coming into effect, based on a resolution of the Board of Directors, for all of the number of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employees out of the Allotted Shares related to the holding of the Stock Association on the date of said approval.

4. Basis of calculation and specific details of the disposal price

The Disposal of Treasury Shares to the Stock Association, the scheduled allottee, will be executed by Eligible Employees contributing the Special Incentive Money, paid to them for the grant of restricted stock, as contribution assets. The disposal price shall be 4,260 yen, which is the closing price of the Company’s common shares on the Prime Market of the Tokyo Stock Exchange on May 8, 2025 (the business day immediately preceding the date of the resolution of the Board of Directors), in order to set the price free from arbitrariness. The Company believes that the price is a market share price immediately prior to the date of the resolution of the Board of Directors, and that the price is reasonable and is not particularly advantageous.

The deviation rate (rounded off to two decimal places) of this disposal price from the average closing price of the Company’s common shares on the Prime Market of the Tokyo Stock Exchange is as follows.

Period	Average closing price (rounded down to the nearest yen)	Deviation rate
1 month (April 9, 2025 to May 8, 2025)	3,832 Yen	11.17%
3 months (February 10, 2025 to May 8, 2025)	3,733 Yen	14.12%
6 months (November 11, 2024 to May 8, 2025)	3,712 Yen	14.79%

In light of the fact that the Disposal of Treasury Shares is to introduce the Plan and that the disposal price is the closing price of the Company’s common shares on the Prime Market of the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Board of Directors, all the four Audit & Supervising Committee Members who attended the meeting of the Board of Directors held today (of which two of them were outside Audit & Supervisory Committee Members) expressed their opinion that the above disposal price was not particularly advantageous to the scheduled allottee and was legitimate.

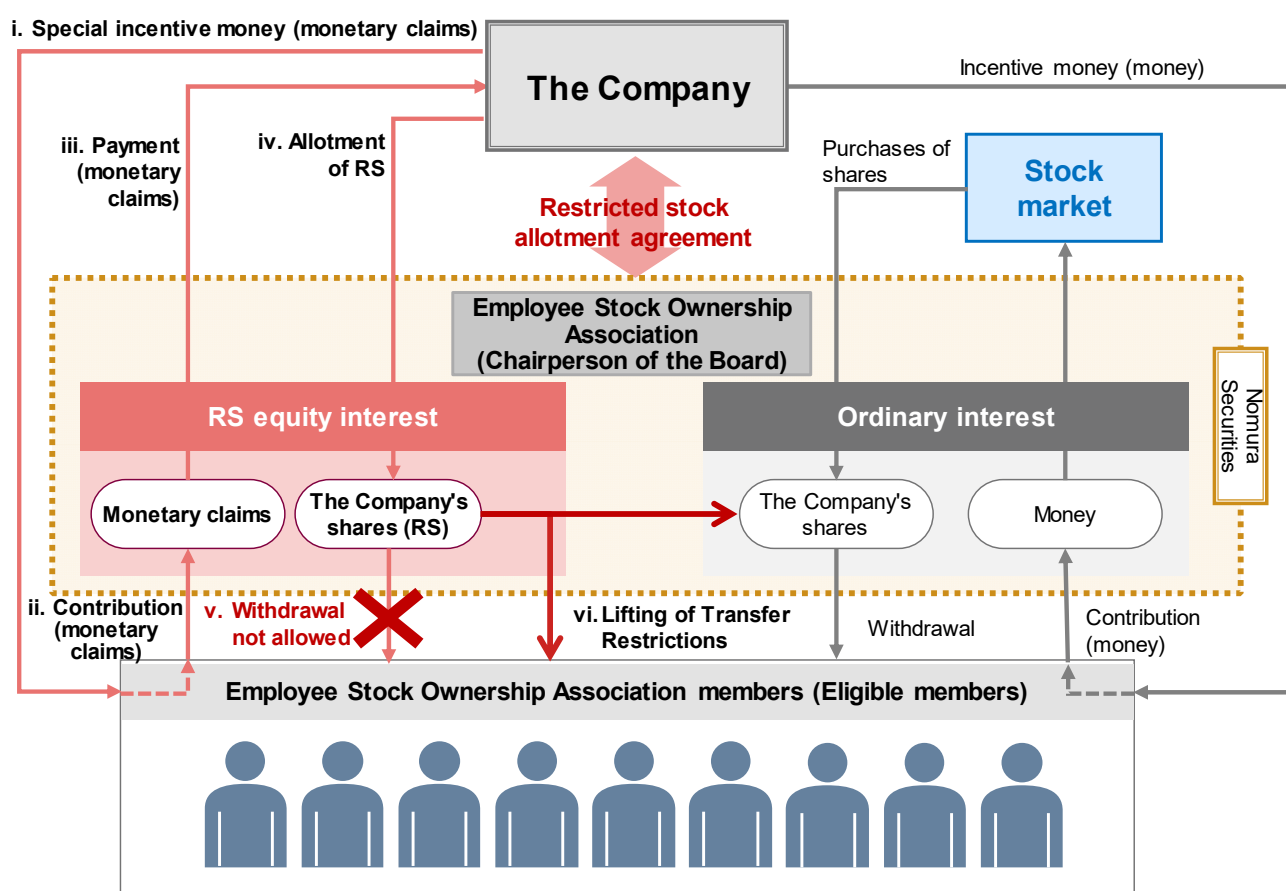
5. Matters related to the procedure under the Code of Corporate Conduct

For the Disposal of Treasury Shares, it is not required to acquire an opinion from an independent third party or perform procedures to confirm the intent of shareholders as set forth in Article 432 of the Securities Listing Regulations stipulated by the Tokyo Stock Exchange because (1) the dilution ratio is less than 25% and (2) it does not result in a change of the controlling shareholder.

(Reference)

[Structure of the Plan]

- i. The Company will pay the Eligible Employees monetary claims as the Special Incentive Money for the grant of restricted stock.
- ii. The Eligible Employees will contribute the monetary claims described in i. above to the Stock Association.
- iii. The Stock Association will collect the monetary claims contributed in ii. above and pay them to the Company.
- iv. The Company will allot the Allotted Shares to the Stock Association as Restricted Stock (“RS” in the chart below).
- v. The Allotted Shares will be deposited in a dedicated account opened by the Stock Association through Nomura Securities Co. Ltd. and the withdrawals will be restricted during the transfer restriction period.
- vi. After Transfer Restrictions are lifted, the Allotted Shares will be transferred to either ordinary equity or a securities account under the name of the Eligible Employees.



Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.