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Notice Regarding Disposal of Treasury Shares as Restricted Stock Remuneration to Directors and Executive Officers

EBARA JITSUGYO CO., LTD. hereby announces that the meeting of the Board of Directors held today resolved to dispose of treasury shares as restricted stock remuneration (the "Disposal of Treasury Shares") as follows.

1. Overview of the Disposal

(1)	Date of payment	May 9, 2025	
(2)	Type and number of shares to be disposed of	11,771 shares of common shares of the Company	
(3)	Disposal value	3,355 yen per share	
(4)	Total disposal amount	39,491,705 yen	
(5)	Method of contribution	In-kind contribution of monetary remuneration claims receivables	
(6)	Allottee	Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members):	4 persons, 7,748 shares
		Executive Officers:	8 persons, 4,023 shares
(7)	Other information	Regarding the Disposal of Treasury Shares, the Company has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act.	

2. Purpose and reason for the Disposal

At the meeting of the Board of Directors held on February 16, 2021, the introduction of a Restricted Share-based Remuneration System (the "System") was resolved with the aim of providing Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members; the "Eligible Directors") and Executive Officers (hereinafter collectively referred to as the "Eligible Directors, etc.") an incentive to continuously improve the Company's corporate value and to further promote shared value with shareholders. At the 82nd Annual General Meeting of Shareholders of the Company held on March 25, 2021, it was approved to pay monetary remuneration claims receivables of up to ¥35 million per year to Eligible Directors for the delivery of restricted shares under the System, and to pay up to 19,200 shares

per year (however, if, after the date of the resolution of the General Meeting of Shareholders, a split or reverse split of the Company's common shares occurs or if it is necessary to adjust the maximum number of shares to be allotted in accordance with these cases, the maximum number of shares to be allotted may be adjusted reasonably). The Company conducted a 2-for-1 share split on July 1, 2021. In connection with the share split, the total number of common shares issued or disposed of by the Company to the Eligible Directors, which was approved at the 82nd Annual General Meeting of Shareholders of the Company held on March 25, 2021, has been adjusted according to the split ratio.

Today, the Company's Board of Directors resolved, in consideration of the purpose of the System, the Company's business performance, the scope of responsibilities of each Eligible Director, etc., and various circumstances, to pay the total amount of monetary remuneration claims of ¥39,491,705 to the Eligible Directors, etc. on the condition that the Disposal of Treasury Shares is paid as property contributed in kind, and to make the Disposal of Treasury Shares to the Eligible Directors, etc. To provide incentives for the sustainable improvement of corporate value and to share shareholder value, which are the purposes of introducing the System, the transfer restriction period is from May 9, 2025, to the date of retirement of Directors or Executive Officers as described in 3. below.

3. Overview of the Restricted Stock Allotment Agreement

The Company and each Eligible Director, etc. shall individually enter into a restricted stock allotment agreement (the "Allotment Agreement"). The outline of the agreement is as follows.

(1) Transfer restriction period: From May 9, 2025, to the date of retirement from the position of Director or Executive Officer

During the above period, the Eligible Directors, etc. may not transfer, create a security interest on, or otherwise dispose of the Company's common shares allotted (the "Allotted Shares").

(2) Lifting of transfer restrictions

The Company shall, on the condition that the retirement of the Eligible Directors, etc. is due to a reason deemed valid by the Company's Board of Directors, lift the transfer restrictions on all of the Allotted Shares (however, if the Company acquires all or a portion of the Allotted Shares without consideration pursuant to (3) (ii) below, the remaining portion after the acquisition without consideration) at the time when the transfer restriction period expires.

(3) Acquisition by the Company without consideration

(i) The Company shall naturally acquire the Allotted Shares for which the transfer restrictions have not been released pursuant to the provisions of (2) above without consideration at the time the transfer restriction period expires.

(ii) In addition, if the Director retires during the period of execution of duties, which is the subject of the remuneration related to the Allotted Shares, the Company shall acquire the Allotted Shares without consideration in the number corresponding to the remaining period of the retirement. In addition, if certain events stipulated in the Allotment Agreement occur, such as cases of illegal acts, the Company shall acquire all or part of the Allotted Shares without consideration.

(4) Management of shares

To prevent the Allotted Shares from transferring, creating a security interest on, or otherwise disposing during the transfer restriction period, the Eligible Directors, etc. shall open a dedicated account with a securities company designated by the Company and the account is managed. The securities company shall be Nomura Securities Co., Ltd.

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

Notwithstanding the provisions of (1) above, if, during the transfer restriction period, a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter related to organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or by the Company's Board of Directors if the organizational restructuring, etc. does not require approval by the Company's General Meeting of Shareholders), the Company shall, by resolution of the Company's Board of Directors, release the transfer restrictions on the Allotted Shares in a number reasonably determined based on the period from the commencement date of the transfer restriction period to the effective date of the organizational restructuring, etc. prior to the effective date of the organizational restructuring, etc. In this case, the Company shall naturally acquire the Allotted Shares for which the transfer restrictions have not been released immediately after the transfer restrictions have been released as described above without consideration.

4. Basis for calculation of the payment amount and specific details thereof

The disposal price of the Disposal of Treasury Shares to the planned allottee is set to be the closing price of 3,355 yen on the business day immediately preceding the date of the resolution of the Board of Directors to eliminate arbitrariness. The disposal price for the Disposal of Treasury Shares is not particularly advantageous to the planned allottee and is considered reasonable.

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