



November 6, 2025

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Notice Regarding Introduction of Trust-Type Employee Stock Ownership Plan

EBARA JITSUGYO CO., LTD. (hereinafter referred to as the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to introduce a Trust-Type Employee Stock Ownership Plan (the “Plan”), an incentive plan aimed at raising the corporate value over the medium- to long-term and enhancing employee benefit packages by utilizing an employee stock ownership association. The details are described below.

1. Purpose of the introduction

The Plan is to be introduced for the purpose of enhancing the Group’s employees’ sustainable asset formation through the active use of the employee stock ownership association as part of employee benefit packages and improving corporate value over the medium- to long-term by providing incentives to the Group’s employees to enhance a greater sense of participation in corporate management and to improve business performance.

2. Overview of the Plan

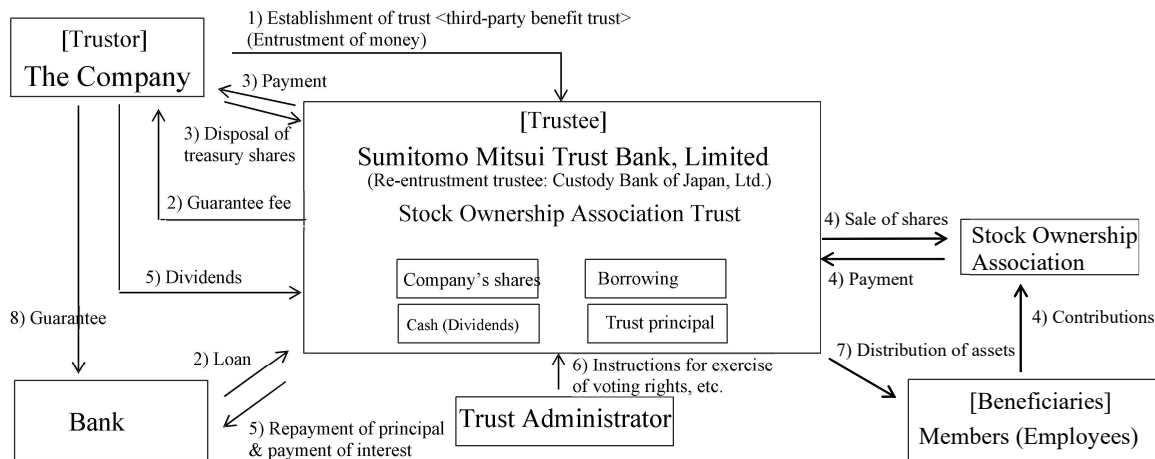
The Company will introduce the Plan for the Group’s employees who participate in “EBARA JITSUGYO Employee Stock Ownership Association” (hereinafter referred to as the “Stock Ownership Association”).

The Company will establish the Employee Stock Ownership Association Trust (third party benefit trust) (hereinafter referred to as the “Stock Ownership Association Trust”) for those among members of the Stock Ownership Association who satisfy the prescribed beneficiary requirements.

The Stock Ownership Association Trust will acquire, in a single tranche, the number of shares expected to be acquired over the 5-year period. The Company will provide guarantee to the bank in connection with the borrowing by the Stock Ownership Association Trust.

After the Plan is introduced, the acquisition of the Company’s shares will be implemented through purchases from the Stock Ownership Association Trust. If capital gains accumulate in the Stock Ownership Association Trust through the sale of the Company’s shares from the Stock Ownership Association Trust to the Stock Ownership Association, these amounts will be distributed, upon termination of the trust, to the Group’s employees. Conversely, since, in the event that the Stock Ownership Association Trust is unable to fully repay its debt obligations under the loan due to a decline in the Company’s share price, the Company will compensate the lending bank for any remaining debt. As a result, the Group’s employees participating the Stock Ownership Association will not bear any burden.

3. Overview of the structure of the Plan



- 1) The Company establishes the Stock Ownership Association Trust.
- 2) The Stock Ownership Association Trust borrows the funds necessary for acquiring the Company's shares from a bank. In connection with this borrowing, the Company, the Stock Ownership Association Trust, and the bank enter into a three-party guarantee agreement under which the Company will compensate the bank if losses are incurred, in connection with the borrowing by the Stock Ownership Association Trust. As consideration for such arrangement, the Stock Ownership Association Trust pays a guarantee fee to the Company.
- 3) The Stock Ownership Association Trust acquires, in a single tranche, through disposal of treasury shares, the number of the Company's shares expected to be acquired by the Stock Ownership Association in the trust period.
- 4) In principle, the Stock Ownership Association Trust sells the shares it holds to the Stock Ownership Association at the market price on a fixed day each month throughout the trust period.
- 5) The Stock Ownership Association Trust applies the proceeds from the sale of the Company's shares to the Stock Ownership Association and dividends from the shares it holds, to repay the principal and interest on the borrowing from the bank.
- 6) Throughout the trust period, a trust administrator who is to protect the interests of the beneficiaries and supervise the trustee, provides instructions regarding the management of the trust assets, such as exercise of voting rights, etc.
- 7) Any residual assets in the Stock Ownership Association Trust after the repayment of borrowing through the sales of the Company's shares will be distributed to the Group's employees who satisfy the prescribed beneficiary requirements.
- 8) If there remains a debt obligation after residual assets in the Stock Ownership Association Trust are disposed of, the Company will, based on the guarantee agreement, repay the debt obligation.

Sumitomo Mitsui Trust Bank, Limited which is the trustee under the Stock Ownership Association Trust, delegates (re-entrusts) management of the trust assets to Custody Bank of Japan, Ltd.

4. Overview of the Stock Ownership Association Trust

(1)	Trustor	The Company
(2)	Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-entrustment trustee: Custody Bank of Japan, Ltd.)
(3)	Beneficiaries	The Group's employees who join the Stock Ownership Association and otherwise satisfy the prescribed beneficiary requirements.
(4)	Type of trust	Trust of money other than "money trust" (<i>kinsen-shintaku</i>) (third-party-benefit trust)
(5)	Date of trust agreement	December 4, 2025 (scheduled)
(6)	Trust period	December 4, 2025 to end of November 2030 (scheduled)

(7) Trust purpose	Stable and continuous supply of the Company's shares to the Stock Ownership Association and delivery of trust assets to beneficiaries determined through the prescribed beneficiary confirmation procedures
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5. Matters regarding the acquisition of the Company's shares by the Stock Ownership Association Trust

(1) Total number of shares to be acquired	123,000 shares of common shares of the Company
(2) Total acquisition amount	¥514,755,000
(3) Date of share acquisition	December 4, 2025 (scheduled)
(4) Method of share acquisition	Acquisition by disposal of treasury shares (third party allotment)