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April 25, 2025

To whom it may concern,

Company name: NEOJAPAN Inc.
Representative name: Akinori Saito, Representative
Director and President
(Code: 3921, Tokyo Stock Exchange
Prime Market)
Contact: Makoto Tokiwa, Director in Charge
of Accounting and Finance
(Phone: +81-45-640-5917)

**Notice Regarding Disposal of Treasury Shares as Performance Condition-based Restricted
Stock Compensation**

NEOJAPAN Inc. (the Company) hereby announces that the Board of Directors of the Company met today and resolved to dispose of treasury shares as performance condition-based restricted stock compensation (hereinafter referred to as the “Disposal of Treasury Shares”), as outlined below.

1. Overview of Disposal

(1) Payment date	May 30, 2025
(2) Type and number of shares to be disposed of	5,500 shares of the common shares of the Company
(3) Disposal price	1,488 yen per share
(4) Total disposal price	8,184,000 yen
(5) Eligible allottees	5 Directors* of the Company: 5,500 shares * Excluding Outside Directors

2. Purpose of and Reason for Disposal

At the 31st Annual General Meeting of Shareholders on April 27, 2023, the Company resolved to introduce a stock-based compensation plan (hereinafter referred to as the “Plan”) to grant performance condition-based restricted stock (hereinafter referred to as “Restricted Stock”) to the Company’s Directors (excluding Outside Directors; hereinafter referred to as “Eligible Directors”). The Plan aims to incentivize Eligible Directors to enhance the Company’s corporate value over the medium to long term and to grow its shareholder value sustainably while ensuring their commitment to business performance improvement. Under the Plan, the Company also received approval to set the total monetary compensation claims for compensation related to Restricted Stock paid to Eligible Directors at no more than 30 million yen per annum, the total number of Restricted Stock shares allotted to Eligible Directors at no more than 20,000 shares per annum, and the period of restriction on transfer of the Restricted Stock from the date of delivery of the Restricted Stock to the date of their resignation or retirement from a position designated by the Board of Directors of the Company.

Today, the Board of Directors of the Company resolved to allot 5,500 shares of the Company's common shares to 5 Eligible Directors (hereinafter referred to as "Allottees") as Restricted Stock compensation, which is classified as specified restricted stock under Japanese tax law. This allotment covers the period from the 33rd Annual General Meeting of Shareholders to the 34th Annual General Meeting of Shareholders, scheduled for April 2026. Under the Plan, the Company will pay Allottees monetary compensation claims totaling 8,184,000 yen. Allottees will then acquire the allotted shares by converting the entire amount of these claims into equity (i.e., in-kind contribution). The payment amount for each Allottee is comprehensively determined based on their contributions to the Company's business performance and other relevant factors. The payment of the monetary compensation claims will be made subject to the conclusion of a restricted stock allotment agreement (hereinafter referred to as the "Allotment Agreement") between the Company and each Allottee which includes, in summary, the following terms and conditions.

3. Overview of the Allotment Agreement

(1) Transfer Restriction Period

From May 30, 2025, until the date on which Allottees resign or retire from their positions as Directors, Executive Officers, or employees of the Company

During the transfer restriction period as set forth above (hereinafter referred to as the "Transfer Restriction Period"), Allottees are prohibited from transferring, pledging, mortgaging, making an inter vivos gift, bequeathing, or otherwise disposing of the Restricted Stock shares allotted to them (hereinafter referred to as the "Allotted Shares") to any third party (hereinafter referred to as the "Transfer Restriction").

(2) Acquisition of the Restricted Stock Without Consideration

If a Allottee resigns or retires from their position as a Director, Executive Officer, or employee of the Company prior to the first general meeting of shareholders following the commencement of the Transfer Restriction Period, the Company shall be entitled to acquire the Allottee's Allotted Shares at no cost as of the resignation or retirement date, unless the Board of Directors of the Company determines that such resignation or retirement occurred for a justifiable reason.

If any Allotted Shares remain subject to the Transfer Restriction under the provision for its removal in (3) below upon the expiration of the Transfer Restriction Period (hereinafter referred to as the "Expiration"), the Company shall as a matter of course acquire such shares without compensation after Expiration.

(3) Removal of Transfer Restriction

The Transfer Restriction on the Allotted Shares may be removed if Allottees remain in their positions as Directors, Executive Officers, or employees of the Company until the first general meeting of shareholders following the commencement of the Transfer Restriction Period. Additionally, Allottees is required to meet the business performance targets set by the Board of Directors of the Company for the designated fiscal year. Upon meeting these conditions, the Company may lift the Transfer Restriction on all Allotted Shares held by Allottees at Expiration. However, if any Allottee resigns or retires from any position as a Director, Executive Officer, or employee of the Company prior to the day immediately preceding the general meeting of shareholders for the fiscal year ending January 31, 2028, for a reason deemed justifiable by the Company's Board of Directors, the Company shall, as necessary, reasonably adjust both the number of Allotted Shares and the timing for the removal of the Transfer Restriction. Such

adjustment shall reflect the achievement level of each business performance target stated below, based on the finalized business performance at the time of such resignation or retirement.

[Performance Conditions]

For the business performance targets described in (3) above, the Company will use consolidated net sales and operating profit for the fiscal year ending January 31, 2028, as set forth below. However, if any Allottee resigns or retires from any position as a Director, Executive Officer, or employee of the Company prior to the day immediately preceding the general meeting of shareholders for that fiscal year, for a reason deemed justifiable by the Company's Board of Directors, the Company shall adjust both the number of Allotted Shares and the timing for removal of the Transfer Restriction. Such adjustment shall reflect the achievement level of each business performance target for the relevant fiscal year, as set forth below, based on the finalized business performance at the time of such resignation or retirement.

	Fiscal year ending January 31, 2026	Fiscal year ending January 31, 2027	Fiscal year ending January 31, 2028
Consolidated net sales	8,048,974,000 yen	8,672,660,000 yen	9,423,451,000 yen
Consolidated operating profit	2,106,171,000 yen	2,251,631,000 yen	2,620,174,000 yen

(4) Administration of the Allotted Shares

Each Allottee shall open and maintain a dedicated account at SMBC Nikko Securities Inc. for recording transactions in the Allotted Shares, in accordance with the Company's instructions. The Allotted Shares shall remain in this account until the Transfer Restriction is removed.

(5) Treatment in the Event of Reorganization, etc.

If, during the Transfer Restriction Period, any proposal concerning a reorganization—including a merger agreement under which the Company is to be dissolved, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other similar reorganization—is approved either at a shareholders meeting (or, if shareholder approval is not required, by resolution of the Company's Board of Directors), the Company may, subject to a resolution of the Company's Board of Directors, lift the Transfer Restriction on the Allotted Shares as of the business day immediately preceding the effective date of such reorganization. The number of Allotted Shares affected shall be reasonably determined by reference to the achievement level for each business performance target described in (3) above—taking into account both the business performance for the period from the commencement of the Transfer Restriction Period until the approval date of the reorganization, and the finalized business performance as of that approval date.

Under such circumstances, in accordance with the foregoing provisions, the Company shall as a matter of course acquire all Allotted Shares that remain subject to the Transfer Restriction without compensation as of the business day immediately preceding the effective date of such reorganization.

4. Basis of Calculation and Details of the Payment Amount

The price for the Disposal of Treasury Shares shall be set at 1,488 yen, which is equal to the closing price of the Company's common shares on April 24, 2025 (i.e., the business day immediately preceding the resolution of the Company's Board of Directors) on the Tokyo Stock Exchange. This

method eliminates any arbitrariness in determining the disposal price. The Company considers this price both reasonable and neutral, as it reflects the prevailing market price on the business day immediately preceding the resolution of the Company's Board of Directors.