March 28, 2025

For Immediate Release

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Notice of Disposal of Treasury Stock as Restricted Stock Compensation

Okabe Co., Ltd. (the "Company") hereby announces that a meeting of its Board of Directors held on March 28, 2025 resolved to dispose of treasury stock as restricted stock compensation (the "Disposal of Treasury Stock"). Details are as follows.

Details

1. Overview of the disposal

(1) Payment date	April 25, 2025
(2) Class and number of shares to be disposed of	Common stock of the Company: 59,670 shares
(3) Disposition amount	894 yen per share
(4) Total disposition amount	53,344,980 yen
(5) Allottees	Four Directors* 36,400 shares Eight Operating Officers not serving concurrently as Directors: 14,720 shares Three Executive Managers 6,880 shares One Fellow: 1,670 shares * Directors who are Audit & Supervisory Committee Members and Outside Directors are excluded.

2. Purpose and reasons for the disposal

At a Board of Directors meeting held on February 12, 2021, the Company resolved to introduce a restricted stock compensation plan (the "Plan") as a new compensation plan to provide the Company's Directors (excluding the Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter, "Eligible Directors") with an incentive to achieve sustainable growth in the Company's corporate value and shareholder value in the medium to long term and to facilitate their sense of sharing value with shareholders. At the 77th Annual General Meeting of Shareholders held on March 26, 2021, the following was approved: (1) Under the Plan, monetary compensation receivables, an annual amount of 80 million yen maximum (the number of common shares that will be issued or disposed of in exchange for the monetary compensation receivables will be 140,000 shares or less annually), will be granted to Eligible Directors, separately from the existing monetary compensation, as property contributed in kind related to the allotment of restricted stock, (2) the period of transfer restrictions will be from the date of delivery of restricted stock to the date of resignation or retirement from the post of Director of the Company or other posts specified by the Company's Board of Directors and (3) the conditions for the removal of transfer restrictions are: (i) the allottee will continue to hold the post of Director of the Company or other posts specified by the Company's Board of Directors during the service period specified by the Company's Board of Directors, and (ii) if the allottee resigns or retires from the post of Director of the Company or other posts specified by the Company's Board of Directors before the end of the service period, there are reasons that the Company's Board of Directors considers justifiable, and so on.

The following is an overview of the Plan.

Overview of the Plan

Under the Plan, Eligible Directors shall make in-kind contributions of all the monetary compensation receivables to be granted from the Company and in return receive the Company’s common stock that will be issued or disposed of by the Company.

The annual number of shares of common stock to be issued or disposed of under the Plan will be 140,000 or less. The amount to be paid in per share of the Company's common stock to be issued or disposed of under the Plan shall be determined by the Board of Directors within a range that is not especially advantageous to Eligible Directors, to whom shares will be allotted, based on the closing price of the Company's common stock on Tokyo Stock Exchange on the business day immediately preceding the day of resolution of the Board of Directors regarding the issuance or disposal of the shares (if no trading is reported on the preceding day, the closing price on the day before that day).

The Company and the Eligible Directors, to whom shares will be allotted, will sign a Restricted Stock Allotment Agreement on the issuance or disposal of common stock of the Company under the Plan. The agreement will include the following:

(1) During the predefined period, the Company's common stock allotted pursuant to the Restricted Stock Allotment Agreement may not be transferred or otherwise disposed of, and no security interest may be attached on the allotted common stock.

(2) The Company shall acquire said common stock without consideration if certain events occur.

The Company has introduced a plan similar to the Plan for the Operating Officers who do not concurrently serve as Directors of the Company, Executive Managers or Fellows.

At the Board of Directors meeting held on March 28, 2025, the Company resolved to dispose of monetary compensation receivables of 53,344,980 yen in the form of 59,670 shares of the Company's common stock (the "Allotted Shares") for four Eligible Directors, eight Operating Officers who do not concurrently serve as Directors, three Executive Managers and one Fellow (hereinafter collectively the "Eligible People") in consideration of the purpose of the Plan, the Company's operating results, the scope of each Eligible Person's responsibilities and other factors.

Outline of the Restricted Stock Allotment Agreement

In conjunction with the Disposal of Treasury Stock, the Company will separately sign a Restricted Stock Allotment Agreement with each Eligible Person. The following is an outline of the agreement.

(1) Period of transfer restrictions

The Eligible People may not transfer, attach a security to or otherwise dispose of the Allotted Shares during the period from April 25, 2025 (the payment date) to either the date when all of the Directors, Operating Officers, Executive Managers and Fellows of the Company or its subsidiaries retire(if the date on which the semi-annual report for the fiscal year ending December 2025 is submitted is later than that date, that date).

(2) Conditions for removing transfer restrictions

Transfer restrictions for all of the Allotted Shares will be removed when the period of the transfer restrictions ends, provided however that the Eligible People continue to hold the post of Director, Operating Officer, Executive Manager or Fellow of the Company or its subsidiaries from the date of the Annual General Meeting of Shareholders of the Company immediately preceding the payment date to the date of the next year's Annual General Meeting of Shareholders (the "Service Period"). Notwithstanding the above, if an Eligible Person retires from the post of Director, Operating Officer, Executive Manager or Fellow of the Company or its subsidiary due to death or for reasons that the Company's Board of Directors considers justifiable during the Service Period, transfer restrictions for a certain number of Allotted Shares will be removed as of the date after the Eligible Person retires. The number of Allotted Shares for which restrictions will be removed will be calculated by dividing the number of months from the month immediately following the month when the Service Period began to the month of the resignation or retirement by 12 (if the result of calculation exceeds 1, the result will be deemed to be 1) and then by multiplying the result of calculation by the number of Allotted Shares (if there are any fractions less than 1, the number will be rounded down).

(3) Acquisition by the Company for no consideration

The Company will naturally acquire for no consideration all the Allotted Shares for which transfer restrictions were not removed at the end of the period of transfer restrictions.

(4) Management of shares

The Allotted Shares shall be managed in the accounts exclusively for restricted stock shares that are opened by the Eligible Directors at Daiwa Securities during the period of transfer restrictions to prevent the transfer of shares, the establishment of security interests on shares or other dispositions.

(5) Measures to be taken in relation to organizational restructuring, etc.

If any merger agreement where the Company will be dissolved, any share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or any other organizational restructuring is approved at the Company's General Meeting of Shareholders (if the organizational restructuring does not need to be approved at the General Meeting of Shareholders, by the Company's Board of Directors) during the period of transfer restrictions, the transfer restrictions for a certain number of Allotted Shares will be removed by a resolution of the Board of Directors on the business day immediately preceding the effective date of the organizational restructuring. The number of Allotted Shares for which restrictions will be removed will be calculated by dividing the number of months from the month immediately following the month when the Service Period begins to the month where organizational restructuring is approved by 12 (if the results of calculation exceed 1, the result will be deemed to be 1) and then by multiplying the results of calculation by the number of Allotted Shares held at that time (if there are any fractions less than 1, the number will be rounded down).

3. Basis and details of calculation of the amount to be paid

To implement the Disposal of Treasury Stock, monetary compensation receivables are provided to allottees as contribution assets in accordance with the Plan. To eliminate arbitrariness, the amount to be paid is set at 894 yen, the closing price of the common stock of the Company on the Tokyo Stock Exchange on March 27, 2025 (the business day immediately preceding the date of the resolution of the Board of Directors). The amount is the market price immediately before the date of resolution of the Board of Directors and a reasonable amount reflecting the Company's corporate value properly unless there are special circumstances that indicate the latest stock price is unreliable. We believe the amount is not particularly advantageous for the Eligible Directors.