February 17, 2025

Company name	SHOEI FOODS CORPORATION
Representative	Hidemitsu Honda, President and Representative Director
	Code number: 8079
	Tokyo Stock Exchange Prime Market
Contact	Kazunori Kano, Management Director and General Manager, Corporate Planning Div.
	Phone: +81-3-3253-1529

Notice of Disposal of Treasury Shares as Restricted Stock Compensation

SHOEI FOODS CORPORATION (the "Company) announces that, at a meeting of its Board of Directors held on February 17, 2025, it resolved to dispose of its treasury shares (the "Disposal of Treasury Shares" or "Disposal"), as follows.

1. Overview of the Disposal

(1)	Disposal date	March 10, 2025
(2)	Class and number of shares to be disposed	5,991 shares of common stock of the Company
(3)	Disposal price	¥3,905 per share
(4)	Total value of shares to be disposed	¥23,394,855
(5)	Allottees and number thereof, number of shares to be disposed	Directors of the Company (excluding Outside Directors): 7 persons, 5,413 shares Entrusted Corporate Officers of the Company: 2 persons, 578 shares

2. Purpose and Reasons for the Disposal

The Company, at a meeting of its Board of Directors held on December 13, 2019, resolved to adopt a restricted stock compensation plan (the "Plan") as a new compensation plan for Directors of the Company excluding Outside Directors (the "Eligible Director(s)") to provide incentives for the sustained improvement of corporate value and further promote shared value with the shareholders. Additionally, at the 72nd Annual General Meeting of Shareholders held on January 30, 2020, the Company obtained approval, in accordance with the Plan, to pay the Eligible Directors monetary compensation receivables of not more than ¥80 million per year as monetary compensation to be contributed as property for the acquisition of the restricted stock

(the "Restricted Stock Compensation") and to extend the transfer restriction period of the restricted stock from 20 years to 30 years. Furthermore, Entrusted Corporate Officers (together with the Eligible Directors shall, hereinunder, be referred to collectively as the "Eligible Director(s), etc."), the adoption of which was resolved at a meeting of its Board of Directors held on December 13, 2021, are also eligible under the Plan. An overview, etc. of the Plan is as follows.

[Overview, etc. of the Plan]

Eligible Directors, etc. of the Company shall pay all monetary compensation receivables granted by the Company, per the Plan, as property contributed in kind and shall, in return, receive the issue or disposal of common shares of the Company. The total number of common shares to be issued or disposed of to the Eligible Directors, etc. of the Company, per the Plan, shall be not more than 20,000 shares per year and the amount to be paid in per share shall be determined by the Board of Directors based on the closing price for the common shares of the Company on the Tokyo Stock Exchange on the business day prior to the day of each resolution at the meeting of the Board of Directors (or if there is no trading executed on that day, the closing price of the day immediately preceding that day) to the extent that it is not a particularly favorable price for the Eligible Directors, etc., receiving such common shares.

Additionally, the issuance or disposal of common shares of the Company, per the Plan, shall be conditional upon the conclusion of a restricted stock allotment agreement between the Company and the Eligible Directors, etc. Such agreement shall include terms and conditions (1) prohibiting Eligible Directors, etc., who have received the allotment of common shares of the Company, per the restricted stock allotment agreement, from transferring, creating security interest on, or otherwise disposing of the common shares for a given period, and (2) stipulating that the Company shall acquire without consideration such common shares when certain conditions apply.

The Company, in light of the purpose of the Plan, the Company's business performance, the scope of responsibility of each Eligible Director, etc., and various circumstances has decided to grant a total of ¥23,394,855 in monetary compensation receivables (the "Monetary Compensation Receivables") and 5,991 shares of common shares. Furthermore, to enable the sharing of shareholder value, the intended objective of the Plan, over the long term, the Company has set the transfer restriction period at 30 years.

In the Disposal of Treasury Shares, the nine Eligible Directors, etc., who are the allottees, shall pay all Monetary Compensation Receivables as property contributed in kind and in return, receive the Disposal of the common shares of the Company (the "Allotted Shares"). An overview of the restricted stock allotment agreement (the "Allotment Agreement") between the Eligible Directors, etc., and the Company in the Disposal of Treasury Shares, is given in paragraph 3, below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From March 10, 2025 to March 9, 2055

During the transfer restriction period stipulated above, eligible persons may not transfer, create security interest on, or otherwise dispose of the restricted stock.

(2) Conditions for releasing the transfer restrictions)

On the condition that an Eligible Director, etc. has continuously held the position of Director, Corporate Officer, Audit & Supervisory Board Member, employee, Advisor or Counselor, or any equivalent position of the Company, transfer restrictions shall be released on all Allotted Shares at the expiration of the transfer restriction period.

(3) Treatment in case an Eligible Director, etc. resigns or retires during the transfer restriction period due to a justifiable reason such as the expiration of the term of office or reaching mandatory retirement age

In case an Eligible Director, etc. resigns or retires from the position of Director, Corporate Officer, Audit & Supervisory Board Member, employee, Advisor or Counselor, or any equivalent position of the Company due to the expiration of the term of office, reaching mandatory retirement age, or any other justifiable reason (However, this shall not include the individual's personal reasons. The same shall apply hereinafter.), the transfer restrictions shall be released on all of the Allotted Shares held by the Eligible Director, etc. at the time of resignation or retirement immediately after the resignation or retirement. In case of resignation or retirement due to death, the transfer restrictions shall be released immediately after the death of the Eligible Director, etc.

(4) Acquisition by the Company without consideration

At the expiration of the transfer restriction period or at the time the transfer restrictions are released as stipulated in (3) above, the Company shall automatically acquire without consideration any Allotted Shares whose transfer restrictions have not been released.

(5) Management of the shares

To prevent the transfer, creation of security interest on, or otherwise disposing of the shares during the transfer restriction period, the Allotted Shares shall be managed in a dedicated account at Nomura Securities Co., Ltd., opened by the Eligible Director, etc., during the transfer restriction period. The Company has concluded agreements with Nomura Securities Co., Ltd. on the management of the accounts in which the Allotted Shares of each Eligible Director, etc., are held, to ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares. Furthermore, the Eligible Directors, etc. shall agree to the management of such accounts.

(6) Treatment during reorganization, etc.

If, during the transfer restriction period, matters relating to a merger agreement in which the Company becomes the non-surviving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other reorganization is approved at the General Meeting of Shareholders of the Company (or in the case of a reorganization, where approval of the General Meeting of Shareholders is not required, at a meeting of the Board of Directors), the transfer restrictions shall be released, by a resolution of the Board of Directors, on all Allotted Shares held at such time, as of the time immediately preceding the business day prior to the effective date of such restructuring, etc.

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

The Disposal of Treasury Shares to the Allottees shall, per the Plan, be funded by the property contributed in kind in the form of monetary compensation claims paid as Restricted Stock Compensation for the 78th business year. To eliminate arbitrariness in the disposal price, ¥3,905, the closing price of the common shares of the Company on the Prime Market of the Tokyo Stock Exchange on February 14, 2025 (the business day prior to the resolution of the Board of Directors) has been set as the disposal price. Given that this is the market price on the business day prior to the resolution of the Board of Directors, the Company believes that it is reasonable and does not represent a particularly favorable price.

END