Translation

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(Securities code: 9658; TSE Prime Market)

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Notice Regarding the Introduction of Stock-granting ESOP Trust

BUSINESS BRAIN SHOWA-OTA INC. ("the Company") hereby announces that at the Board of Directors meeting held today, it resolved to introduce Stock-granting ESOP Trust (hereinafter referred to as "the System"), an employee incentive plan covering managers at the Company who satisfy certain requirements (hereinafter referred to as "eligible employees"), as described below.

1. Regarding the introduction of the System

(1) The Company will introduce the System with the goal of enhancing the Company's medium- to long-term performance and further enhancing the motivation of its employees to contribute to increasing corporate value.

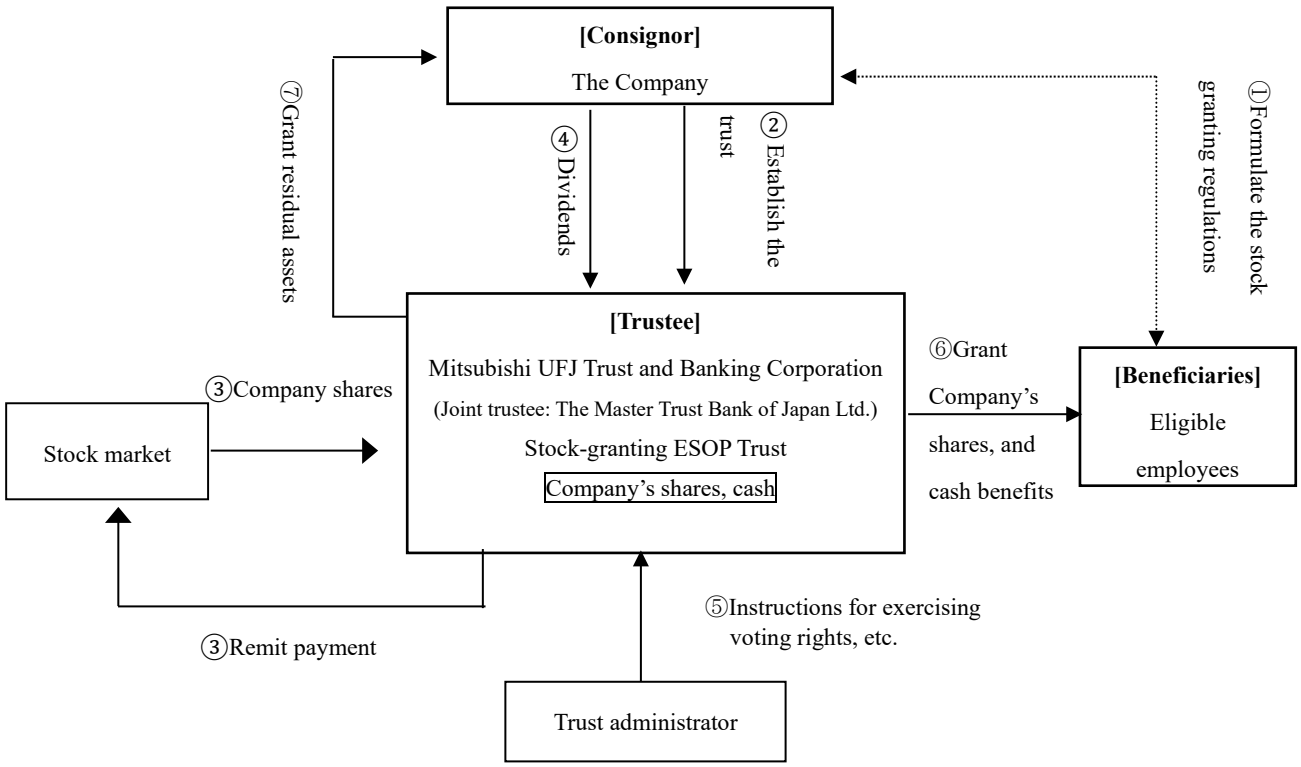
(2) The System will adopt a mechanism known as Stock-granting ESOP (Employee Stock Ownership Plan) Trust (hereinafter referred to as "the ESOP Trust").

The ESOP Trust is an employee incentive plan based on the ESOP system in the U.S., under which the Company's shares acquired by the ESOP Trust and cash equivalent to the amount of the conversion price of the Company's shares (hereinafter referred to as "Company's shares, etc.") are granted and paid (hereinafter referred to as "granted, etc.") from the ESOP Trust to eligible employees who fulfill certain requirements in accordance with predetermined stock granting regulations. Incidentally, since all funds for the acquisition of the Company's shares by the ESOP Trust will be contributed by the Company, no burden shall be borne by eligible employees.

(3) The introduction of the ESOP Trust will enable eligible employees to receive economic benefits from increases in the Company's stock price, which is expected to have the effect of encouraging them to perform their duties with an awareness of the stock price, and to lift their motivation to work harder.

In addition, because exercising the voting rights pertaining to the Company's shares that belong to the ESOP Trust's trust assets serves as a mechanism for reflecting the intentions of eligible employees, who are candidate beneficiaries, the System is effective as a plan for enhancing corporate value through encouraging employee participation in management.

2. The structure of the System



① The Company will establish stock granting regulations at the time of the introduction of the System.
② The Company will set up the ESOP Trust, the beneficiaries of which will be eligible employees who fulfill the requirements of beneficiaries.
③ Using the money contributed in ② above as the source of funds, the ESOP Trust shall acquire from the stock market the number of Company's shares expected to be granted to the beneficiaries during the trust period, in accordance with the instructions of the trust administrator.
④ Dividends will be paid on the Company's shares in the ESOP Trust, in the same manner as with other Company's shares.
⑤ With regard to the Company's shares held in the ESOP Trust, the trust administrator will provide instructions for the exercising of voting rights as a shareholder throughout the trust period, and the ESOP Trust will exercise its rights as a shareholder in accordance with those instructions.
⑥ During the trust period, Company's shares, etc. will be granted, etc. to eligible employees in accordance with the Company's stock granting regulations.
⑦ Upon termination of the ESOP Trust, the residual assets after distribution to the beneficiaries are scheduled to be restored to the Company within the parameters of the trust expense reserve, which is the trust money less the stock acquisition funds.

(Note) During the trust period, if the possibility emerges that the number of shares in the ESOP Trust could fall short of the number of shares corresponding to the accumulated points granted to eligible employees, or if the possibility emerges that the money in the trust assets may be insufficient to pay trust fees and trust expenses, additional money may be entrusted to the ESOP Trust.

(Reference)

[Details of the trust agreement]

(1) Type of trust	Money trust other than a specified individually-operated money trust (third-party benefit trust)
(2) Purpose of trust	To provide incentive to eligible Company employees
(3) Consignor	The Company
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan Ltd.)
(5) Beneficiaries	Eligible employees of the Company who fulfill the requirements of beneficiaries
(6) Trust administrator	A third party with no interests in the Company
(7) Trust agreement date	February 19, 2025
(8) Trust period	February 19, 2025 to June 30, 2031 (planned)
(9) System commencement date	April 1, 2025
(10) Exercising of voting rights	The trustee will exercise the voting rights of the Company shares in accordance with the instructions of the trust administrator, which will reflect the status of voting rights exercise by candidate beneficiaries.
(11) Class of shares to be acquired	The Company's ordinary shares
(12) Total acquisition cost of shares	700 million yen
(13) Timing of share acquisition	February 25, 2025 (planned) to August 31, 2025 (planned) *However, this excludes the period from five working days prior to the last day of an accounting period (including quarterly accounting periods) to the last day of the accounting period.
(14) Method of acquiring shares	Shares will be acquired on the stock market