DISCLAIMER: This English document is translated using a machine translation. You may use this for reference purposes only, fully understanding that it may include inaccurate translations. It is your sole responsibility if you rely not on the Japanese original but on this translation.

November 19, 2026

To whom it may concern

Company name: MERF Inc.
Name of representative: Satoru Kurotani, President and C.E.O
(Code No. 3168, TSE Standard Market)
Inquiries: Hiroshi Hasegawa, Executive Officer Corporate Dept
(TEL. +81-766-84-0001)

Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

MERF Inc. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on November 19, 2026, to dispose of treasury shares (hereinafter referred to as "Disposal of Treasury Shares" or "Disposal") as follows.

1. Overview of Disposal

(1)	Date of disposal	December 25, 2026
(2)	Class and number of shares to be disposed of	10,000 shares of common stock of the Company
(3)	Disposal price	841 yen per share
(4)	Total amount of disposal	8,410,000 yen
(5)	Recipients, number of recipients, and number of shares to be disposed of	2 Directors (excluding Outside Directors) of the Company, 10,000 shares

2. Purpose and reason for disposal

At the 33rd Ordinary General Meeting of Shareholders held on November 27, 2018, the Company resolved to introduce a Restricted Stock Compensation Plan (the "Plan") as a new compensation plan for the Company's Directors, excluding Outside Directors (hereinafter referred to as the "Eligible Directors"), with the aim of providing medium- to long-term incentives to the Eligible Directors, and sharing shareholder value. At a meeting of the Board of Directors held on November 19, 2026, the Company resolved under the Plan to provide monetary compensation claims of up to 50 million yen per year to the Eligible Directors, to be used as property contributed in kind for acquisition of restricted shares (hereinafter referred to as the "Restricted Stock Compensation"), and set the transfer restriction period for the restricted shares to a period between three and five years, to be determined by the Board of Directors of the Company. The outline of the Plan is as follows.

[Outline of the Plan]

The Eligible Directors shall pay in all of the monetary compensation claims granted by the Company under the Plan as property contributed in kind, and shall receive the issuance or disposal of shares of common stock of the Company. The total number of shares of common stock to be issued or disposed of by the Company to the Eligible Directors under the Plan shall not exceed 100,000 shares per year, and the amount to be paid in per share shall be the closing price of the Company's common stock on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution at a meeting of the Board of Directors (or if no trade has been executed on the same day, the closing price on the immediately preceding trading day).

In addition, upon the issuance or disposal of the Company's common stock under the Plan, the Company and the Eligible Directors shall enter into a restricted stock allotment agreement, which shall include provisions such as (1) the Eligible Directors shall not transfer, create security interests, or otherwise dispose of the Company's common shares allotted under the restricted stock allotment agreement for a certain period of time, and (2) in case of certain events, the Company shall acquire the relevant common shares without consideration.

This time, in consideration of the Plan's purpose, the Company's business conditions, the scope of responsibilities of each Eligible Director, and various circumstances, for the purpose of further enhancing the motivation of each Eligible Director, the Company has decided to grant monetary compensation claims totaling 8,410,000 yen (hereinafter referred to as the "Monetary Compensation Claims") and 10,000 shares of common stock. In addition, in order to realize the sharing of shareholder value in the medium to long term, which is the purpose of introducing the Plan, the transfer restriction period is set at three years this time.

In the Disposal of Treasury Shares, pursuant to the Plan, the three Eligible Directors to be allotted will pay in all of the Monetary Compensation Claims against the Company as property contributed in kind, and receive the disposal of the Company's common shares (hereinafter referred to as the "Allotted Shares"). An outline of the Restricted Stock Allotment Agreement (hereinafter referred to as the "Allotment Agreement") to be concluded between the Company and the Eligible Directors in relation to the Disposal of Treasury Shares is as described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period: December 25, 2026 to January 7, 2030

(2) Conditions for the release of transfer restriction

The transfer restriction shall be lifted for all of the Allotted Shares at the time the transfer restriction period expires, on the condition that the Eligible Directors continuously hold any position of Director, Executive Officer, or Corporate Officer not concurrently serving as Director, Auditor, employee, advisor, consultant, or any other position equivalent thereto in the Company, or in the Company's subsidiaries, during the transfer restriction period.

(3) Treatment in the event that an Eligible Director retires due to expiration of the term of office, mandatory retirement age, or other justifiable reasons during the transfer restriction period

[i] Timing of lifting of transfer restrictions

If an Eligible Director leaves office or retires from all such positions as Director, Executive Officer, or Corporate Officer not concurrently serving as Director, Auditor, employee, advisor, consultant, or any other position equivalent thereto in the Company, or in the Company's subsidiaries due to expiration of his/her term of office, retirement age, or any other justifiable reason (excluding cases of leaving office or retirement due to death), the transfer restriction shall be lifted immediately after the leaving office or retirement of the Eligible Director. In the case of leaving office or retirement due to death, the transfer restriction shall be lifted at the time separately determined at a meeting of the Board of Directors after the death of the Eligible Director.

[ii] Number of shares subject to lifting of transfer restrictions

It shall be the number of shares obtained by multiplying the number of Allotted Shares held at the time of the leaving office or retirement stipulated in [i] by the number obtained by dividing the Eligible Director's length of service (in months) pertaining to the transfer restriction period by 12 (if the number exceeds 1, it shall be 1) (however, if a fraction of less than one share arises as a result of the calculation, it shall be rounded down).

(4) Acquisition without consideration by the Company

The Company will automatically acquire the Allotted Shares for which the transfer restriction has not been lifted at the time of expiration of the transfer restriction period, or the time of lifting of the transfer restriction set forth in (3) above, without consideration.

(5) Management of shares

The Allotted Shares shall be managed in a dedicated account opened by the Eligible Directors with Nomura Securities Co., Ltd. during the transfer restriction period, so they cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the transfer restriction, etc., on the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the management of the account for the Allotted Shares held by each Eligible Director. The Eligible Directors shall agree to the details of the management of such accounts.

(6) Treatment in reorganization, etc.

During the transfer restriction period, if a merger agreement under which the Company will become the dissolved company, a share exchange agreement or share transfer plan under which the Company will become a wholly-owned subsidiary, or other matters related to the reorganization, etc. are approved at the General Meeting of Shareholders of the Company (however, if the reorganization, etc. does not require an approval by a General Meeting of Shareholders of the Company, at a meeting of the Board of Directors of the Company), the Company shall, by a resolution at a meeting of the Board of Directors, lift the transfer restriction immediately prior to the business day immediately preceding the effective date of the reorganization, etc. for the number of shares obtained by multiplying the number of the Allotted Shares held at such time by the number obtained by dividing the number of months from the month including the beginning of the Transfer Restricted Period to the month including the date of such approval by 12 (if the number exceeds 1, it shall be 1) (however, if the calculation results in a fraction less than one share, such fraction shall be rounded down). In addition, immediately after the lifting of the Transfer Restriction, the Company will automatically acquire all of the Allotted Shares for which the Transfer Restriction has not been lifted, without consideration.

4. Basis of calculation and specific details of the amount to be paid in

The Disposal of Treasury Shares to the scheduled allottees will be conducted by way of contribution in kind of monetary compensation claims granted as Restricted Stock Compensation for the Company's 41st fiscal year under the Plan. In order to eliminate arbitrariness, the disposal price has been set at 841 yen, which is the closing price of the Company's common stock on the Standard Market of the Tokyo Stock Exchange on November 18, 2026 (the business day immediately preceding the date of resolution at the meeting of the Board of Directors). This represents the market share price immediately preceding the date of resolution at the meeting of the Board of Directors, and we consider it to be reasonable and not to constitute a particularly favorable price.