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Notice Regarding the Determination of Details of the Employee Stock Ownership Plan (ESOP)

At a meeting of the Board of Directors held on May 14, 2026, Japan Transcity Corporation (the "Company") resolved to introduce the stock ownership plan (the "Plan") utilizing the stock delivery trust to expand and enhance the benefits of its employees in certain job grades (the "eligible employees") and further enhance their engagement. The Company hereby announces that it has resolved, at a meeting of the Board of Directors held today, on the details of the Plan, including the timing for establishing the Plan, trust period, timing for acquiring shares, and total acquisition amount, as detailed below.

1. Introduction of the Plan

(1) Japan Transcity Group (the "Group") has been striving to realize the medium-term business plan that launched in April 2026 and achieve further growth by reinforcing its management foundation, strengthening the values it has nurtured, and enhancing the capability to generate profit efficiently and effectively.

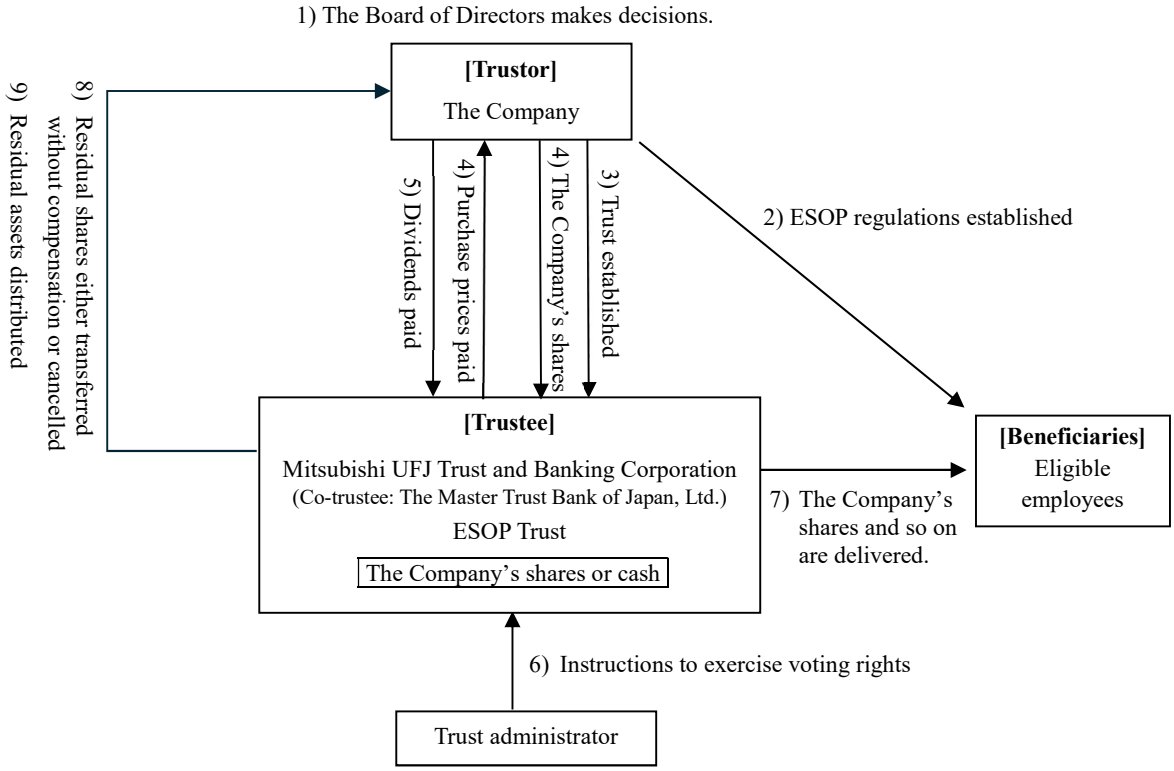
(2) Under the medium-term business plan, the Group puts its priority on its "talent" to advance one of its basic policies, "to strengthen business management foundation," considering that securing and developing diverse talent and bringing out their potential to the maximum would lead to its sustainable growth and further enhancement of its corporate value.

(3) The introduction of the Plan will not only expand and enhance the benefits of the eligible employees but also allow them to receive the economic benefits arising from the appreciation of the Company's shares, which is expected to help strengthen the eligible employees' motivation to contribute to the Group's performance and their sense of participation in management. The Plan is also expected to contribute to their even higher engagement, which is why the introduction of the Plan is positioned as a part of the Company's "human capital investment" aimed at the long-term enhancement of its corporate value.

(4) The Plan will adopt a structure known as a stock-granting Employee Stock Ownership Plan (ESOP) trust (the "ESOP Trust"). As an employee incentive plan, the Company's shares acquired by the ESOP Trust will be granted to the eligible employees, and the shares to be granted will be subject to transfer restrictions until their retirement pursuant to a transfer restriction agreement entered into between the Company and each of the eligible employees.

Note: In conjunction with the introduction of the Plan, the Company also resolved to dispose of 185,300 shares (¥247 million) out of the 5,854,513 treasury shares held by the Company as of September 30, 2026 to the ESOP Trust. For details, please refer to "Notice Regarding Treasury Share Disposal as an Employee Incentive Plan" released today.

2. Framework of the Plan



1) The Company will follow required procedures, including decision-making by the Board of Directors, to introduce the Plan.

2) The Company will establish ESOP regulations as its internal rules.

3) The Company will contribute funds to establish the ESOP Trust under which the eligible employees who meet the beneficiary requirements serve as beneficiaries.

4) The ESOP Trust will acquire the Company's shares from the Company (disposal of treasury shares), following the trust administrator's instructions, using the entrusted funds described in 3) above as the source.

5) Dividends on the Company's shares held in the ESOP Trust will be paid in the same manner as dividends on other shares of the Company.

6) The trust administrator gives instructions to exercise voting rights and other shareholder rights, and the ESOP Trust follows the instructions and exercises shareholder rights throughout the trust period.

7) Pursuant to the ESOP regulations, the Company's shares will be delivered to employees who meet certain beneficiary requirements and will, in principle, be subject to transfer restrictions until their retirement. There may be cases where the shares are converted into cash within the ESOP Trust and a monetary payment equivalent to the proceeds from such conversion is provided pursuant to the trust agreement.

8) If any shares remain upon the expiration of the trust period, the ESOP Trust can be used continuously for the same type of a share delivery scheme as the Plan by amending the trust agreement and making an additional contribution to the ESOP Trust. If the ESOP Trust is terminated without further continuation, the Company plans to receive the residual shares from the ESOP Trust without compensation as a shareholder return measure and cancel the acquired shares.

9) The residual dividends on the Company's shares held in the ESOP Trust upon the expiration of the trust period will be used as funds to acquire shares if the ESOP Trust is continued. If the ESOP Trust is terminated upon the expiration of the trust period, the portion exceeding the trust expense reserve will be donated to entities with no conflicting interests.

Note: If the Company's shares held in the ESOP Trust are exhausted as a result of share deliveries to the eligible employees and other dispositions, the ESOP Trust will be terminated before the expiration of the trust period. The Company may fund the ESOP Trust with additional cash to acquire additional shares of the Company.

(Reference)

Details of the Trust Agreement

(1) Type of trust	A trust of money other than that held in a money trust for separate investment (third-party benefit trust)
(2) Purpose of trust	To provide incentives to the eligible employees
(3) Trustor	The Company
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries	Eligible employees who meet the beneficiary requirements
(6) Trust administrator	A third party (certified public accountant) with no interest in the Company
(7) Trust agreement date	November 27, 2026 (scheduled) ※A trust is scheduled to be established on the same day.
(8) Trust period	November 27, 2026 to November 30, 2029 (scheduled)
(9) Plan commencement date	December 1, 2026 (scheduled)
(10) Timing for acquiring shares	December 1, 2026 (scheduled)
(11) Exercise of voting rights	The trustee will exercise voting rights attached to the Company's shares in accordance with the trust administrator's instructions, which will reflect how prospective beneficiaries exercise their voting rights.
(12) Type of shares to be acquired	Common shares of the Company
(13) Total acquisition amount	¥247 million
(14) Method of share acquisition	Acquisition from the Company (disposal of treasury shares)