November 12, 2026

Japan Transcity Corporation
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Notice Regarding Treasury Share Disposal as an Employee Incentive Plan

Japan Transcity Corporation (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on November 12, 2026, to dispose of treasury shares (the "Treasury Share Disposal") as an employee incentive plan, as detailed below.

1. Overview of the Treasury Share Disposal

(1) Disposal date	December 1, 2026
(2) Type and number of shares to be disposed of	185,300 common shares
(3) Disposal price	¥1,333 per share
(4) Total disposal amount	¥247,004,900
(5) Planned allottee	The Master Trust Bank of Japan, Ltd. (Stock-granting ESOP Trust Account)
(6) Other	An extraordinary report regarding the Treasury Share Disposal has been submitted in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reasons for the Disposal

At a meeting of the Board of Directors held on May 14, 2026, the Company resolved to introduce a stock-granting Employee Stock Ownership Plan (ESOP) trust (the "ESOP Trust") to expand and enhance the benefits of its employees in certain job grades (the "eligible employees"), allow them to receive the economic benefits arising from the appreciation of the Company's shares, and strengthen their motivation to contribute to business performance and their sense of participation in management. The stock ownership plan (the "Plan") utilizing the ESOP Trust 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.

Under the Plan, shares 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.

The Treasury Share Disposal will be carried out as an employee incentive plan in conjunction with the introduction of the ESOP Trust, which is the structure adopted for the Plan. The shares will be allotted to The Master Trust Bank of Japan, Ltd. (ESOP Trust Account), the co-trustee under the ESOP trust agreement to be concluded between the Company and Mitsubishi UFJ Trust and Banking Corporation (the "Trust Agreement"; the trust established pursuant to the Trust Agreement is referred to as the "Trust").

The number of shares to be disposed of corresponds to the number of shares expected to be delivered to the eligible employees during the trust period in accordance with the ESOP regulations. The scale of dilution will be 0.28% of the 66,405,517 shares issued as of September 30, 2026, and 0.31% of the 604,334 voting rights as of the same date (percentages rounded to two decimal places).

The Company's shares allotted through the Treasury Share Disposal will be delivered to the eligible employees in accordance with the ESOP regulations. Since these shares are not expected to be released into the stock market all at once, the Company considers the impact on the stock market to be minimal and the number of shares to be disposed of and the scale of dilution to be reasonable.

For an overview of the Plan, please refer to "Notice Regarding the Determination of Details of the Employee Stock Ownership Plan (ESOP)" released today.

(Reference) Overview 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)
(8) Trust period	November 27, 2026 to November 30, 2029 (scheduled)
(9) Plan commencement date	December 1, 2026 (scheduled)
(10) 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.

3. Basis for Calculating the Disposal Price and Specific Details

To eliminate arbitrariness in light of recent share price trends, the disposal price has been set at ¥1,333, the closing price of the Company's shares on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") on November 11, 2026, the business day immediately preceding the date of the Board of Directors' resolution on the Treasury Share Disposal, in accordance with the Japan Securities Dealers Association's Guidance Concerning Handling of Allotment of New Shares to Third Party, etc. The Company adopted this price because it is the market price immediately before the Board of Directors' resolution and is considered highly objective and reasonable as the basis for the calculation.

In addition, the disposal price represents a discount of 3.41% (rounded to two decimal places; the same applies to discounts and premiums hereinafter) to the average closing price of ¥1,380 (rounded down to the nearest yen; the same applies hereinafter) for the Company's shares on the Tokyo Stock Exchange during the one-month period immediately preceding the date of the Board of Directors' resolution (October 13 to November 11, 2026). It also represents a discount of 4.38% to the average closing price of ¥1,394 for the three-month period immediately preceding the resolution (August 12 to November 11, 2026), and a premium of 3.25% to the average closing price of ¥1,291 for the six-month period immediately preceding the resolution (May 12 to November 11, 2026). Based on these comparisons, the Company has determined that the disposal price is not particularly favorable.

4. Procedures under the Code of Corporate Conduct

Since the dilution ratio of the shares in this transaction is less than 25% and there will be no change in controlling shareholders, the procedures for obtaining an opinion from an independent third party and confirming shareholders' intentions prescribed in Rule 432 of the Tokyo Stock Exchange's Securities Listing Regulations are not required.