



Translation

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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

ORO Co., Ltd. (the “Company”) hereby announces that, at the Board of Directors meeting held on March 25, 2022, resolved to dispose treasury shares (the “Disposal of Treasury Shares”). The details are as follows.

Details

1. Outline of the Disposal

(1) Disposal date	April 22, 2022
(2) Class and number of shares to be disposed of	6,286 shares of Common stock of the Company
(3) Disposal price	¥2,465 per share
(4) Total value of share disposal	¥15,494,990
(5) Allottees, Number Thereof and Number of Shares to Be Disposed of	the Company's directors (excluding outside directors) 4 persons 6,286 shares
(6) Others	The Company has submitted a Securities Registration Statement based on the Financial Instruments and Exchange Act for the Disposal of Treasury Shares.

2. Purposes and Reasons for the Disposal

At the meeting of its Board of Directors held on February 14, 2020, the Directors decided to introduce a restricted stock compensation plan (the “Compensation Plan”). This is for the Company’s directors (excluding outside directors) (the “eligible directors”) to further share the benefits and risks of stock price fluctuations with shareholders and to enhance their motivation toward further contribution to the rise in stock price and the increase in corporate value. At the 22nd Ordinary Stockholders’ Meeting on March 26th, 2020 (the “General Meeting of Shareholders”), based on the Compensation Plan, it was approved that the amount of monetary compensation to serve as invested assets to acquire the restricted stocks (the “Restricted Stock Compensation”) of the Restricted Stock Compensation for the Eligible Directors shall not exceed 50 million yen, and that the restricted period on stock transfer shall be decided by its Board of Directors from three (3) years to fifty (50) years.

As resolved at the 24th Annual General Meeting of Shareholders held today, the Company will provide monetary remuneration receivables up to 50 million yen per year to Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same shall apply) as restricted stock remuneration in line with the transition to a company with an audit and supervisory committee and the remuneration plan prior to the transition. In this regard, the Company has obtained shareholders' approval for the Board of Directors to determine the specific timing of payment and allotment to the eligible Directors.

The following presents the overview of the Plan.

[Outline of the Plan]

The Eligible Directors etc., shall make in-kind contribution of all monetary compensation claims or monetary claims to be provided by the Company according to the Compensation Plan, and shall, in return, receive shares of common stock of the Company that shall be issued or disposed of by the Company. The total number of shares of common stock of the Company to be issued or disposed of under the plan shall not exceed 15,000 shares per year, and the amount to be paid per share shall be the amount decided by the Board of Directors within a range that is not specially advantageous to the eligible directors who will receive the common stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (if such date is a non-trading day, the closing price on the most recent trading day prior to that date). For the issuance of shares of common stock of the Company under the Compensation Plan, the Company and each Eligible Directors etc., shall make an agreement on allotment of restricted stocks (the "Allotment Agreement"), which includes (1) The Eligible Directors etc., shall not transfer, create a security interest on, or otherwise dispose of the allotted stock during a certain restriction period (the "Transfer restriction period"), and (2) The Company shall take back all or part of the allotted stock without cost in case where certain events happen.

This time the Company has decided to grant monetary compensation receivables of 15,494,990 yen in total (the "monetary compensation receivables") and 6,286 shares of the Company's common stock to eligible directors, considering the scope of responsibilities of each such director, for them to further share the benefits and risks of stock price fluctuations with shareholders and boost their motivation toward further contribution to the rise in the stock price and the increase in corporate value.

To achieve the purpose of introducing the Plan, the transfer restriction period for restricted stocks has been set at fifty (50) years.

For the Disposal of Treasury Shares, 4 persons who are the Eligible Directors to whom the share allotment is scheduled to be made shall pay in the entire monetary remuneration claims as properties contributed, and receive the common stock of the Company to be disposed of by the Company (the "Allotted Stock") under the Plan. The allotment agreement made and entered between the Company and each of the Eligible Directors is summarized in 3. Below.

3. Overview of the Allotment Agreement

- (1) Transfer restriction period: April 22, 2022-April 21, 2072
- (2) Treatment in cases the Eligible Director, retires from its position due to expiration of the term of office, reaching retirement age or other due causes.

If eligible directors retire from the Company's directors before the transfer restriction period expires, the Company shall naturally acquire the allotted stock without contribution, except in cases where they retire due to completion of term of office, death or other legitimate reasons.

(3) Conditions for releasing transfer restriction

Notwithstanding the provision of (1) above, ORO Co., Ltd. shall remove the Transfer Restriction on all of the Allotted Stock upon expiration of the Transfer Restriction Period, on the condition that the Qualified Director has held any of the positions of director of ORO Co., Ltd. throughout the Transfer Restriction Period. If, however, eligible directors retire from the positions stipulated in (2) above, the number of the allotted stock whose transfer restriction shall be lifted and the timing of the lifting of the transfer restriction shall be adjusted if necessary within a reasonable range. In addition, any Allotted Stock that are outside the scope of the removal of the Transfer Restriction will be acquired by ORO Co., Ltd. without contribution after the relevant removal without delay.

(4) Control of shares

To ensure compliance with the transfer restriction during the transfer restriction period, the allotted stock shall be managed in a dedicated account at Nomura Securities Co., Ltd., opened by the Eligible Directors etc. The Company execute the memorandum on the control of the dedicated accounts of the Eligible Directors etc., with Nomura Securities Co., Ltd., in order to secure the effectiveness of the transfer restriction pertaining to the allotted stock. In addition, the Company has separately obtained the consent from the Eligible Directors etc., on the contents of the transfer restriction etc.

(5) Treatment during reorganization, etc.

If, during the transfer restriction period, matters relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization are approved at the Company's General Meeting of Shareholders (or in the case where the approval at the Company's General Meeting of Shareholders is not required, in relation to the reorganization in question, a meeting of its Board of Directors) , based on the resolution of the Board of Directors, the number of shares that is reasonably calculated considering the number of months from the beginning of the transfer restriction period to the month including the approval day of the reorganization shall be released prior to the date the reorganization becomes effective. In addition, the Allotted Stock for which the Transfer Restriction has not been removed as of the time immediately after the removal of the Transfer Restriction under the above provisions will be acquired by ORO Co., Ltd. without contribution.

4. Basis of Calculation and Specific Details for the Payment Amount

The Disposal of Treasury Shares to the Eligible Directors, shall be funded by monetary compensation claims which the Company provided as the Restricted Stock Compensation for 2022 in accordance with the Compensation Plan. To eliminate arbitrariness in the disposal price, the closing price for the common shares of the Company on the First Section of the Tokyo Stock Exchange on March 24, 2022 (the business day prior to the day of resolution at the meeting of the board of directors) of ¥2,465 is used as the disposal price. As this is the market price the day prior to the day of resolution of the board of directors, the company believes it is valid and does not represent a particularly favorable price.