

Translation

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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

Japan Elevator Service Holdings Co., Ltd. (the “Company”) hereby announced that at the meeting of the Board of Directors held today a resolution was passed to dispose of the Company’s treasury shares (the “Disposal of Treasury Shares” or the “Disposal”).

1. Overview of the Disposal

(1) Disposal date	August 12, 2022
(2) Class and number of shares to be disposed	3,000 shares of common shares of the Company
(3) Disposal price	JPY 1,534 per share
(4) Total amount of disposal	JPY 4,602,000
(5) Allottees and number thereof, number of shares to be disposed	Director of the Company (excluding external directors), 1 person, 3,000 shares

2. Purposes and Reasons of the Disposal

At the meeting of the Board of Directors held on May 25, 2018, the Company resolved to adopt a Restricted Stock Compensation Scheme (the “Scheme”) for Directors of the Company (excluding external directors, hereinafter “Eligible Director(s)”) in order to provide them with incentives to work toward the sustainable enhancement of corporate value, and to further promote value sharing with the Company’s shareholders. In addition, at the 24th Annual General Meeting of Shareholders held on June 26, 2018, it was approved that the monetary compensation to be paid to the Eligible Directors for granting Restricted Stock shall be within

350 million yen per year under the Scheme and that the transfer restriction period for Restricted Stock shall be the period specified by the Board of Directors of the Company, which is a period between 3 to 35 years.

3. Overview of the Scheme

The Eligible Directors shall contribute all of monetary compensation receivables provided to them under the Scheme in the form of property contributed in kind, and in return shall receive the Company's common shares to be issued or disposed of. The total amount of monetary compensation to be paid to the Eligible Directors under the Scheme shall be within 350 million yen per year. The Board of Directors will decide on the specific timing and allocation of payments to the Eligible Directors.

Under the Scheme, the total number of common shares that the Eligible Directors receive by issuance or disposal by the Company shall be within 680,000 shares per year, and the paid-in amount per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors, and the amount will not be particularly advantageous to the Eligible Directors who will subscribe to the Company's common shares. On October 1, 2018, the Company implemented a 2-for-1 stock split of common shares and on January 1, 2021, a 2-for-1 stock split of common shares after the introduction of the Scheme. As a result, the total number of common shares to be issued to or disposed of by the Company's directors under the Scheme has been adjusted (quadrupled) in accordance with the split ratio.

In addition, when issuing or disposing of the Company's common shares under the Scheme, we shall conclude a Transfer-restricted Share Allotment Agreement (the "Allotment Agreement") between the Company and the Eligible Directors, the contents of which shall be: 1) The Eligible Directors shall not transfer, set security interest or otherwise dispose of our common shares allotted under the Allotment Agreement for a certain period of time (the "allotted shares"); and 2) In the event of certain circumstances, we shall acquire the common shares in free of charge.

4. Contents of Disposal of Treasury Shares

On this occasion, the Company has decided to grant a total of 4,602,000 yen as the monetary compensation receivables (the "Monetary Compensation Receivables") to the Eligible Director in consideration of the purpose of the Scheme, the Company's performance, the scope of duties of the Eligible Director, and various circumstances. In the disposal of treasury shares, the Eligible Director as planned allottees, will contribute all of the Monetary Compensation Receivables to the Company as property contributed in kind, and in return, will receive the Company's common shares. The transfer restriction period will be 35 years in order to provide the Eligible Director with an incentive to continuously improve the Company's value and to further share value with shareholders.

5. Overview of the Allotment Agreement

(1) Transfer restriction period

August 12, 2022 - August 11, 2057 (the “Transfer restriction period”)

(2) Treatment in cases where the Eligible Director resigns or retires

In the event the Eligible Director resigns or retires from the position of the Company’s director, executive manager who does not concurrently serve as a director, corporate auditor, employee, advisor, counselor or other equivalent position thereto prior to the expiration of the restriction on transfer, the Company shall automatically acquire the allocated shares without charge unless the time of such resignation or retirement falls on or after the date of the Ordinary General Meeting of Shareholders first coming after the Commencement Date of the Restriction on Transfer, or unless there is any reason for such resignation or retirement to be deemed by the Board of Directors to be justifiable, such as the expiration of the term of office or the death of such director.

(3) Lifting of restriction on transfer

The Company will lift the restriction on transfer of all the allocated shares held by the Eligible Director at the time of expiration of the Restriction on transfer provided that the Eligible Director remain in any position, such as an executive manager who does not concurrently serve as a director, corporate auditor, employee, advisor, counselor or other equivalent during the restriction on transfer. However, that in the event the Eligible Director resign or retire from any of the above positions on or after the date of the Ordinary General Meeting of Shareholders first coming after the date of the restriction period on transfer and before the expiration of the restriction period on transfer, the restriction on transfer shall be lifted with respect to all of the allocated shares held by the Eligible Director at the time of such resignation or retirement, and in the event any of the above-mentioned positions is resigned or retired before the expiration of the restriction on transfer period for any reason deemed justifiable by the Board of Directors, the number of months from July 2022 to the day on which the Eligible Director the number of months from July 2022 to the day on which the Eligible Director resigned or retired from any of the above positions shall be divided by twelve (provided, however, 1 shall apply if the calculation result exceeds 1), the number obtained by multiplying the number of the allotted shares (provided, however, that if a fraction less than 1 share occurs as a result of calculation, this shall be discarded) at the time immediately after such resignation or retirement, the transfer restriction shall be lifted.

(4) Acquisition without contribution by the Company

Upon the expiration of the transfer restriction period, the Company shall, by right, acquire without contribution the allotted shares on which the transfer restriction has not been lifted.

(5) Holding of allotted shares

The allotted shares shall be held in dedicated accounts at Nomura Securities Co., Ltd. opened by the Eligible Director to ensure it is not possible to transfer, set any security

interest on, or otherwise dispose of the shares during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the accounts in which the allotted shares are to be held by the Eligible Director to ensure the effectiveness of the transfer restrictions, etc. relating to the allotted shares. In addition, the Eligible Director has agreed to the terms and conditions applicable to such accounts.

(6) Treatment upon Reorganization, etc.

If a proposal for a merger agreement in which the Company would be the disappearing company, or a share exchange agreement or share transfer plan in which the Company would become a wholly owned subsidiary of another company, or other matters concerning the Company's reorganization, etc., has been approved at the General Meeting of Shareholders of the Company (or at the Company's Board of Directors if approval therefor at the General Meeting of Shareholders is not required) during the transfer period, by resolution of the Board of Directors, with respect to the allotted shares of the number obtained by dividing the number of months from July 2022 to the month including the date of approval by 12 (provided, however, that 1 shall apply if the calculation result exceeds 1) multiplied by the number of allotted shares held by the Eligible Director as of the date of approval (provided, however, that if a fraction less than 1 share occurs as a result of calculation, this shall be discarded), the restriction on transfer shall be lifted as of the time immediately preceding the business day prior to the effective date of the reorganization, etc.

6. Basis of calculation and specific details of the disposal amount

The Disposal of Treasury Shares to the planned allottees is carried out by using monetary compensation receivables provided to them as Restricted Stock Compensation for the Company's 29th fiscal year (April 1, 2022 - March 31, 2023) pursuant to the Scheme, as property contributed in kind. To eliminate any arbitrariness in the disposal value, the closing price for common shares of the Company on July 13, 2022 (the business day immediately preceding the date of resolution by the Board of Directors) on the Tokyo Stock Exchange of 1,534 yen is used as the disposal value. This value is deemed to be objective and not to be particularly favorable because it is the market share price on the day immediately preceding the date of resolution by the Board of Directors.

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