



August 5, 2022

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Announcement on Disposal of the Treasury Stock as Restricted Stock to Our Employees

Marui Group Co., Ltd. hereby announces that it resolved at its Board of Directors meeting held on August 5, 2022 to dispose of its treasury stock (hereinafter referred to as the "disposal of treasury stock " or "disposal") as follows.

1. Outline of the disposal

(1)	Date of disposal	February 28, 2023
(2)	Class and number of shares to be disposed of	686,850 shares of the common stock of the Company *It has been calculated based on the assumption that 150 shares will be granted to each of the 4,579 employees of the Company (including those seconded to the group companies. The same applies hereinafter), which is the maximum number of employees who could be eligible for the Plan.
(3)	Disposal price	2,414 yen per share
(4)	Total disposal value	1,658,055,900 yen
(5)	Parties to acquire the shares, number of persons, and number of shares to be disposed of	Employees of the Company, 4,579 persons, 686,850 shares No partial application for the number of shares to be granted shall be accepted from each employee of the Company.
(6)	Other	An Extraordinary Report pursuant to the Financial Instruments and Exchange Act has been filed for the disposal of treasury stock.

2. Purpose and reason for disposal

At its Board of Directors meeting held on May 12, 2022, the Company resolved to introduce the Restricted Stock Remuneration Plan (the "Plan") as a new remuneration plan for its employees (the "Eligible Employees").

The purpose and outline of the introduction of the Plan are as follows.

【Purpose of the Plan】

The Company Group aims to harmonize and expand "profit" and "happiness" for all stakeholders, including customers, shareholders, investors, local communities, suppliers, employees, and future generations. To this end, the Company is promoting "stakeholder management," in which it strives to create shared value by considering everything from the perspective of stakeholders and acting accordingly, thereby enhancing the corporate value.

Based on its management philosophy of "continuing to evolve to serve customers" and "human growth = corporate growth," the Company will expand "human capital investment" that integrates corporate culture and human growth.

The Company positions the introduction of the Plan as a "human capital investment" under the belief that it will lead to further promotion of "stakeholder management" and sustainable enhancement of corporate value by

aligning the interests of employees and stakeholders as it will realize mutual prosperity through economic benefits from the long-term growth of Company stock price and foster the employees' sense of participation in management by aligning their perspective with that of shareholders and investors.

【Outline of the Plan, etc.】

Eligible Employees will pay all the monetary claims provided by the Company under the Plan as contributed assets in kind to receive the issuance or disposal of common stock of the Company (hereinafter referred to as "Allotted Shares"). The amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before the date of each resolution of the Board of Directors (or the closing price on the trading day immediately before such business day if no trading was effected on that date) to the extent that such amount is not particularly favorable to Eligible Employees who subscribe for such common stock.

Upon the issuance or disposal of the Company's common stock under the Plan, the Company shall enter into a Restricted Stock Allotment Agreement with the Eligible Employee. The Agreement shall include the following terms.

(i) The Eligible Employee shall be prohibited from transferring to a third party, creating a security interest in, or otherwise disposing of the shares of the Company's common stock allotted to them under the Restricted Stock Allotment Agreement for a certain period of time.

(ii) The Company shall acquire such shares of common stock without consideration in certain circumstances.

In the Disposal of Treasury Stock, a total of JPY1,658,055,900 monetary claims (the "monetary claims") and 686,850 shares of common stock will be granted to the 4,579 Eligible Employees who are the planned allottees. In addition, the period of restricted transfer is set at five (5) years in order to realize the purpose of introducing the Plan, which is to foster a sense of participation in management and share shareholder value over the medium term.

Since the Company will provide each Eligible Employee with a monetary claim to be contributed in kind under the Plan, the wages of each Eligible Employee will not be reduced as a result of the disposal of treasury stock. Allotted Shares will be allotted only to the allottees who wish to subscribe to them. Therefore, the monetary claims will be extinguished if there is no application for subscription.

The outline of the agreement for the allotment of restricted stock (the "Allotment Agreement") to be concluded between the Company and the Eligible Employee in relation to the disposal of treasury stock is as in the following Section 3.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

From February 28, 2023, to February 29, 2028

(2) Conditions for the lifting of transfer restrictions

The restriction on transfer of all the Allotted Shares shall be lifted on the business day following the expiration of the transfer restriction period, provided that the Eligible Employee has continuously held a position as an officer or employee of the Company or one of its subsidiaries during the transfer restriction period.

(3) Handling of cases where an Eligible Employee resigns or retires due to reasons deemed unavoidable by the Company, such as death, during the transfer restriction period (including retirement at retirement age, retirement for personal reasons at the expiration of a fixed term of employment after reemployment for a fixed term after retirement, dismissal or termination of employment due to downsizing of the Company's business or other management reasons, and not including retirement for personal reasons in employment without a fixed term and dismissal or termination of employment for any other reason than management reasons of the Company. The same shall apply hereinafter.)

(i) Timing of the lifting of transfer restrictions

If an Eligible Employee resigns or retires from any position in the Company or any of its subsidiaries due to death or any other reason deemed unavoidable by the Company, the transfer restriction shall be lifted without delay after approval by the Company following such resignation or retirement. However, if the Eligible Employee retires or resigns from any position in the Company or any of its subsidiaries on or before July 1, 2023, the restriction on transfer of all the Allotted Shares shall not be lifted for any reason whatsoever.

(ii) Number of shares subject to the lifting of transfer restrictions

The number of shares subject to the lifting of transfer restrictions shall be obtained by multiplying the number of the Allotted Shares held by the Eligible Employee at the time of such retirement or resignation as provided in (i) above by the number obtained by dividing the period of service (in months) during the transfer restriction period by 60 (if the number is greater than 1, it shall be 1) (however, if a fraction of less than 1 share is generated as a result of the calculation, such fraction shall be rounded down).

If the Eligible Employee retires or resigns on a date prior to July 1, 2023, the number of Allotted Shares subject to the lifting of transfer restrictions shall be zero (0).

(4) Acquisition without consideration by the Company

The Company shall naturally and without consideration acquire all Allotted Shares for which the transfer restriction is not lifted on the business day following the expiration of the restriction period or at the time of retirement or resignation as stipulated in (3) above. In the event that the Eligible Employee resigns or retires from the position of any officer or employee of the Company or any of its subsidiaries during the transfer restriction period for reasons aside from those deemed unavoidable by the Company, such as death, or falls under certain events stipulated in the Allotment Agreement, or commits any violation of laws and regulations, the Company will naturally acquire all the Allotted Shares without consideration.

(5) Handling in the event of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement under which the Company will be the absorbed company, a share exchange agreement or share transfer plan in which the Company will be a wholly-owned subsidiary, or any other matter concerning organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or the Board of Directors of the Company, if approval at a General Meeting of Shareholders is not required for the organizational restructuring, etc.), upon resolution of the Board of Directors, the transfer restriction shall be canceled as of the time immediately before the business day immediately preceding the effective date of the organizational restructuring, etc. with respect to the number of shares obtained by multiplying the number of Allotted Shares held as of such time by the number obtained by dividing the tenure (in months) of the Eligible Employee for the transfer restriction period by 60 (if the number is greater than 1, it shall be 1) (however, if a fraction of less than 1 share is generated as a result of the calculation, such fraction shall be rounded down). In addition, the Company shall naturally acquire without consideration all Allotted Shares that are still under transfer restriction as of the time immediately after the lifting of the transfer restriction.

If the time immediately before the business day immediately preceding the effective date of the organizational restructuring, etc. is on or before July 1, 2023, the Company will naturally acquire all the Allotted Shares without consideration as of the time immediately before the business day immediately preceding the effective date of the organizational restructuring, etc.

(6) Management of shares

During the transfer restriction period, the Allotted Shares will be managed in a dedicated account opened by the Eligible Employee with Nomura Securities Co., Ltd. so that the Allotted Shares cannot be transferred, set as collateral, or otherwise disposed of during the transfer restriction period. In order to ensure the effectiveness of the transfer restrictions of the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the accounts for the allotted shares held by each Eligible Employee. The Eligible Employees shall consent to the management of the relevant account.

4. Calculation basis and specific details of the disposal price

The disposal of treasury stock shall be conducted with the monetary claims provided to the planned allottees as the invested assets. In order to preclude any arbitrariness, the disposal price is set at JPY 2,414, which is the closing price of the common stock of the Company on the Prime Market of the Tokyo Stock Exchange on August 4, 2022 (the business day immediately preceding the date of resolution by the Board of Directors). This price is therefore the market price immediately before the date of resolution by the Board of Directors, and thus the Company believes that it is reasonable and not particularly favorable.