



January 23, 2023

Dear Sir/Madam,

Company: JP-HOLDINGS, INC.
Representative: Tohru Sakai,
President and Representative Director
(Stock Code: 2749, Prime Market of TSE)
Contact: Kenji Zushi,
General Manager, Public & Investor Relations Office
(Tel: +81 52 933 5419)

**Notice of the Introduction of an Incentive Program for the Employee Stock Ownership Association
(Special Incentive Scheme)**

On January 23, 2023, we have decided to introduce an incentive plan (hereinafter “the Scheme”) aimed at improving the motivation of the employees in our group (employees who are eligible to become members in the Employee Stock Ownership Association; hereinafter “Employees”) to improve our mid- to long-term shareholder value.

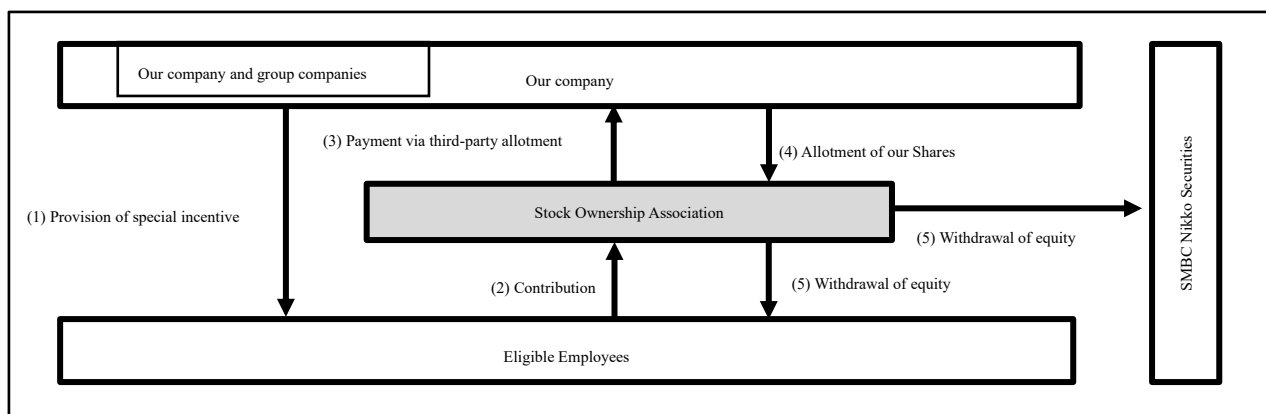
In the Scheme, we will give common shares issued by our company (hereinafter “our Shares”) through the JP Employee Stock Ownership Association (hereinafter “the Stock Ownership Association”) as a special incentive to those who agree to the Scheme among our Employees (hereinafter “Eligible Employees”). We will do this through third-party allotment to the Stock Ownership Association. Please refer to the “Notice of the Transfer of Treasury Stock through Third-party Allotment” dated today about third-party allotment.

1. Purpose of the Scheme

We give incentives to members of the Stock Ownership Association to enable our Employees to build assets and to improve their motivation to work by possessing our Shares. We will now further promote this concept, and give a special incentive to Eligible Employees. We will then allot our Shares to the Stock Ownership Association with the contribution of said special incentive.

Through the Scheme, we aim to raise the awareness of our Employees to participate in management on the 30th anniversary of our foundation, and intend to improve the motivation of our Employees to improve our mid- to long-term shareholder value. We will use the Scheme as the impetus to encourage our Employees who have not yet joined the Stock Ownership Association to join it. We believe that this will have even more of our Employees share the mid- to long-term shareholder value with our shareholders.

2. Mechanism of the Scheme



- (1) Our company and our subsidiaries will provide a special incentive to Eligible Employees.
- (2) Eligible Employees will contribute the special incentive we have provided them to the Stock Ownership Association.
- (3) The Stock Ownership Association will collect the special incentives contributed by Eligible Employees and pay as the third-party allotment.
- (4) We will allot our Shares to the Stock Ownership Association
- (5) Our Shares we have allotted will be distributed and managed as the equity of members in the Stock Ownership Association in SMBC Nikko Securities Inc. entrusted with stockholding affairs by the Stock Ownership Association.

*Eligible Employees will be able to withdraw our Shares they have been allotted to a securities account in their own name as they wish.

3. Provision of our Shares in the Scheme

We resolved at a meeting of our Board of Directors held today to transfer 240,950 shares (equivalent to approximately 85.78 million yen) in the treasury stock we possess of 2,763,632 shares (as of December 31, 2022) to the Stock Ownership Association with the introduction of the Scheme. The following is an overview of the Stock Ownership Association to which we will allot those shares.

- (1) Name: JP Employee Stock Ownership Association
- (2) Address: 3-15-31 Aoi, Higashi-ku, Nagoya-shi, Aichi Prefecture
- (3) Chairperson: Tomohiro Sasada
- (4) Number of shares held: 6,262,200 (as of December 31, 2022)
- (5) Shareholding ratio: 7.12% (percentage to outstanding shares)

Moreover, we have submitted a securities notice dated today pursuant to the Financial Instruments and Exchange Act. The number of shares to be transferred and the total transfer amount (the total paid-in amount) stated in the securities notice are based on the assumed maximum value in the event all Employees eligible to become members in the Stock Ownership Association join it and agree to the Scheme. After the meeting of the Board of Directors of the Stock Ownership Association scheduled to be held today, the Stock Ownership Association will carry out a promotion to attract Employees to join it with a sufficient period of time to inform all our Employees about the Scheme and will seek those who wish to join the Stock Ownership Association. Therefore, there is a possibility that Employees will not actually join the Stock Ownership Association or withdraw as members upon retirement. Accordingly, the number of Eligible Employees may be less than the assumed maximum value. We plan to make a prompt announcement once we have finalized the number of

shares to be transferred (the number of shares to be offered) and the total transfer amount (the total paid-in amount) when the number of Eligible Employees has been confirmed.