

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 Transfer of Treasury Stock through Third-party Allotment

We hereby announce that we have resolved to transfer treasury stock (hereinafter “the Transfer of Treasury Stock”) through third-party allotment at a meeting of our Board of Directors held on January 23, 2023.

1. Overview of the transfer

(1) Transfer date	March 27, 2023
(2) Type and number of shares to be transferred	240,950 of our common shares*
(3) Transfer price	356 yen per share
(4) Total transfer amount	85,778,200 yen*
(5) Transfer method	Third-party allotment
(6) Planned transferee	JP Employee Stock Ownership Association (hereinafter “the Stock Ownership Association”)
(7) Other	We have submitted a securities notice pursuant to the Financial Instruments and Exchange Act for the Transfer of Treasury Stock.

*The number of shares to be transferred and the total transfer amount 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 this scheme. After the resolution by 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 in our group (employees who are eligible to become members in the Stock Ownership Association; hereinafter “Employees”) to join it with a sufficient period of time to inform all our Employees about this scheme and will seek those who wish to join the Stock Ownership Association. Therefore, we will finalize the number of shares to be transferred and the total transfer amount after the end of said promotion. We plan to make a prompt announcement once we have finalized the number of shares to be transferred and the total transfer amount when the number of Eligible Employees has been confirmed.

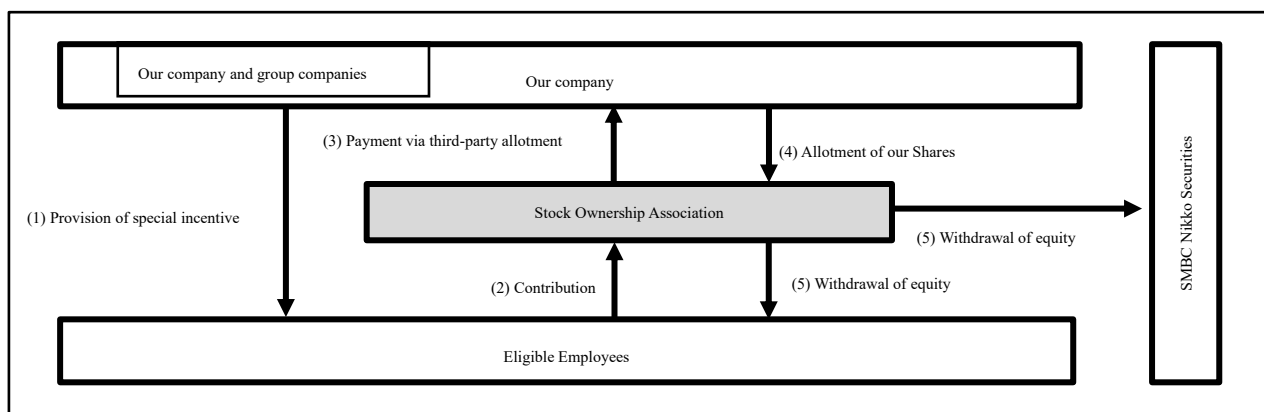
2. Purpose of and reasons for the transfer

On January 23, 2023, we have decided to introduce an incentive plan (hereinafter “the Scheme”) aimed at improving the motivation of our Employees to improve our mid- to long-term shareholder value. Please refer to the “Notice of the Introduction of an Incentive Program for the Employee Stock Ownership Association (Special Incentive Scheme)” dated January 23, 2023 for an overview of the Scheme.

In the Scheme, we will give a special incentive to those who agree to the Scheme among our Employees (hereinafter “Eligible Employees”), and allot common shares issued by our company (hereinafter “our Shares”) to the Stock Ownership Association with the contribution of said special incentive and through third-party allotment. The scheme will allow our Employees to build assets by possessing our Shares. That will improve their motivation to work. In addition, the Scheme aims to raise the awareness of our Employees to participate in management as we celebrate the 30th anniversary of our establishment. Together with this, it is intended to improve the motivation of our Employees to improve our mid- to long-term shareholder value. We will finalize the number of shares to be transferred at a later date as stated in “1. Overview of the transfer*.” We plan to transfer up to 240,950 shares to the Stock Ownership Association.

The scale of the dilution will be 0.3% to the 87,849,400 outstanding shares as of December 31, 2022 and 0.3% to the 850,714 total voting rights as of December 31, 2022 (both numbers are rounded to the third decimal place).

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

3. Basis for the calculation of the transfer price and the details

The purpose of the Transfer of Treasury Stock is to introduce the Scheme. We have set the transfer price at 356 yen, which is the closing price of our Shares on the Tokyo Stock Exchange on January 20, 2023 (business day before the day of the resolution by the Board of Directors). This is the market price immediately before the day on which the resolution was made by the Board of Directors. Accordingly, we believe it is reasonable.

The rate of deviation from the average closing price of our Shares on the Tokyo Stock Exchange of this price is as follows (rounded to the third decimal pace).

Period	Average closing price (Rounded down to the nearest yen)	Deviation rate
1 month (December 21, 2022 to January 20, 2023)	310 yen	14.5%
3 months (October 21, 2022 to January 20, 2023)	293 yen	21.4%
6 months (July 21, 2022 to January 20, 2023)	282 yen	26.1%

Our Audit & Supervisory Committee (five members, of whom four are Outside Directors) deems the process by which we determined the above transfer price to be reasonable and not be particularly advantageous for the transferee considering that the purpose of the Transfer of Treasury Stock is to introduce the Scheme, and that the transfer price is the closing price on the business day before the day of the resolution by the Board of Directors. Accordingly, it has expressed its opinion to the effect that the said determination is appropriate.

4. Procedures in the Corporate Code of Conduct

The Transfer of Treasury Stock (1) has a dilution rate of less than 25% and (2) does not accompany a change in the controlling shareholder. Therefore, it is not necessary to obtain an opinion from an independent third party or to undergo procedures to confirm the intentions of shareholders as stipulated in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.