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Announcement Regarding Disposal of Treasury Shares by Third-Party Allotment in Accordance with Additional Contribution to Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP)

Taikisha Ltd. (the “Company”), at its Board of Directors Meeting held today, made a resolution on the disposal of its treasury shares by third-party allotment (hereinafter referred to as the “Disposal of Treasury Shares”) as follows:

1. Outline of Disposal

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|-----|--|--|
| (1) | Date of disposal                             | Wednesday, May 31, 2023  |
| (2) | Class and number of shares to be disposed of | 103,900 common shares  |
| (3) | Disposal price                               | 3,689 yen per share  |
| (4) | Total amount of disposal                     | 383,287,100 yen  |
| (5) | Allottee                                     | Custody Bank of Japan, Ltd. (Trust E Account)  |
| (6) | Other  | The Disposal of Treasury Shares is subject to the effectuation of the securities report in accordance with the Financial Instruments and Exchange Act. |

2. Purpose and Reason for Disposal

Pursuant to a resolution of the Annual Shareholders’ Meeting held on June 27, 2019, the Company has introduced a Board Benefit Trust (BBT) (hereinafter referred to as the “BBT Plan”; the trust established under the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. with respect to the BBT Plan is referred to as the “BBT Trust”). (For an outline of the BBT Plan, please refer to “Announcement Regarding Introduction of Performance-linked Stock-based Compensation Plan” dated May 15, 2019 and “Announcement Regarding Disposal of Treasury Shares by Third-Party Allotment in Accordance with Introduction of Performance-linked Stock-based Compensation Plan” dated August 9, 2019.)

The Company has partially amended its BBT Plan to include its Corporate Officers. For details, please refer to “(Reference: Partial Amendment of BBT Plan)” below.

In addition, pursuant to a resolution of the Board of Directors Meeting held on December 27, 2012, the

Company has introduced an Employee Stock Ownership Plan (J-ESOP) (hereinafter referred to as the “J-ESOP Plan”; the trust established under the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. with respect to the J-ESOP Plan is referred to as the “J-ESOP Trust”). (For an outline of the J-ESOP Plan, please refer to “Announcement concerning the Introduction of ESOP (Employee Stock Ownership Plan)” dated December 27, 2012 and “Detailed announcement concerning the Introduction of ESOP (Employee Stock Ownership Plan)” dated February 12, 2013.)

In continuing the BBT Plan and the J-ESOP Plan (hereinafter collectively referred to as the “Plans”), the Company has decided to make an additional contribution of money (hereinafter referred to as the “Additional Trust”) to the BBT Trust and the J-ESOP Trust, respectively for the purpose of acquiring the shares expected to be required for future benefits, and to dispose of its treasury shares by third-party allotment (the Disposal of Treasury Shares) to the respective Trust E Accounts established with Custody Bank of Japan, Ltd. (the re-trustee that has been re-entrusted by Mizuho Trust & Banking Co., Ltd., the trustee of the BBT trust and the J-ESOP Trust) for the purpose of holding and disposing of the Company’s shares in the administration of the Plans.

The number of shares to be disposed of is equivalent to the sum of the number of shares expected to be distributed to the Company’s Executive Directors and Corporate Officers during the trust period in accordance with the “Director Stock Benefit Rules” and the “Corporate Officer Stock Benefit Rules” (54,200 shares for the three fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025) and the number of shares expected to be distributed to the Company’s employees in accordance with the “Stock Granting Regulation” (49,700 shares). Such number accounts for 0.31% of 33,582,009 shares, the total number of issued shares as of March 31, 2023 (0.31% of 332,891, the total number of voting rights as of March 31, 2023) (both rounded to two decimal places)).

\* Outline of the Additional Trust to the BBT Trust

Date of Additional Trust: May 31, 2023

Amount of Additional Trust: 199,943,800 yen

Class of shares to be acquired: The Company’s common share

Number of shares to be acquired: 54,200 shares

Date of acquisition of shares: May 31, 2023

Method of acquisition of shares: Acquisition by underwriting the disposal of the Company’s treasury shares (the Disposal of Treasury Shares)

\* Outline of the Additional Trust to the J-ESOP Trust

Date of Additional Trust: May 31, 2023

Amount of Additional Trust: 91,891,940 yen (Note)

Class of shares to be acquired: The Company’s common share

Number of shares to be acquired: 49,700 shares

Date of acquisition of shares: May 31, 2023

Method of acquisition of shares: Acquisition by underwriting the disposal of the Company’s treasury shares (the Disposal of Treasury Shares)

(Note) The Trust will additionally acquire the Company’s shares using as the funds the sum of the amount of the Additional Trust (91,891,940 yen) and the money belonging to the trust assets (91,451,360 yen).

### 3 . Basis for Calculation of Disposal Price and Details Thereof

The disposal price was set to be 3,689 yen (rounded down to the nearest yen), the average closing price of the Company's common share on the Tokyo Stock Exchange for the one-month period ending the business day immediately preceding the date of board resolution on the Disposal of Treasury Shares (from April 13, 2023 to May 12, 2023).

The Company used the average closing price for the one-month period ending the business day immediately preceding the date of board resolution because it determined that adopting a leveled value of the average stock price for a certain period of time rather than the stock price at a specific point in time can eliminate the effects of special factors such as temporary stock price fluctuations, and it is a highly objective and reasonable basis for calculation. In addition, the calculation period was set at the most recent one month because the Company determined that it is reasonable to adopt a certain period closest to the most recent market price compared to the most recent three months or the most recent six months.

The disposal price of 3,689 yen is obtained by multiplying the closing price of 3,835 yen on the business day immediately preceding the date of board resolution by 96.19%, by multiplying the average closing price of 3,617 yen (rounded down to the nearest yen) for the three-month period ending the business day immediately preceding the date of board resolution by 101.99%, and by multiplying the average closing price of 3,521 yen (rounded down to the nearest yen) for the six-month period ending the business day immediately preceding the date of board resolution by 104.77%. In light of the above, the Company has determined that the disposal price for the Disposal of Treasury Shares is reasonable and not particularly favorable.

5 corporate auditors (including 3 outside corporate auditors), who attended the Board of Directors meeting, expressed their opinion that the disposal price above does not fall under a particularly favorable disposal price.

### 4 . Matters Concerning Procedures under the Code of Corporate Conduct

The Disposal of Treasury Shares neither requires an opinion from an independent third party nor a procedure for confirming the intent of shareholders, which are provided under Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., because (i) the dilution ratio is less than 25% and (ii) the disposal does not involve a change in controlling shareholders.

(Reference: Partial Amendment of BBT Plan)

The Company has included its Corporate Officers to the BBT Plan for the purpose of further clarifying the link between the compensation of Corporate Officers and its medium- to long-term operating performance and stock value and enhancing their motivation to contribute to improving medium- to long-term operating performance and boosting corporate value.

In line with this, the Company has made the following changes to some of the matters announced in the "Announcement Regarding Introduction of Performance-linked Stock-based Compensation Plan" dated May 15, 2019. For the Company's Executive Directors, there is no change in either the maximum amount to be contributed to the Trust or the maximum number of points to be granted per fiscal year.

<Maximum amount to be contributed to the Trust for each period (3 fiscal year)>

(Before change) 450 million yen

(After change) 480 million yen (including 450 million yen for Executive Directors)

<Maximum number of points to be granted per fiscal year to Executive Directors and Corporate Officers>

(Before change) 66,200 points

(After change) 69,200 points (including 66,200 points for executive directors)