

For Immediate Release

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 (Code: 1951, Prime Market of the Tokyo Stock Exchange)
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Notice of Disposition of Treasury Shares as Restricted Stock Compensation

EXEO Group, Inc. (the "Company") hereby announces that at a meeting of its Board of Directors held today, it resolved to dispose of its treasury shares (the "Disposition of Treasury Shares") as restricted stock compensation. Details are as follows.

1. Overview of the disposal

(1) Payment date	August 23, 2023										
(2) Type and number of shares to be disposed of	Common shares of the Company: 94,600 shares										
(3) Disposal price	2,882.5 yen per share										
(4) Total disposition amount	272,684,500 yen										
(5) Contribution method	In-kind contribution of monetary compensation claims										
(6) Persons eligible for stock allocation, number of persons, and number of shares to be allocated	<p>Performance-linked restricted stock</p> <table> <tr> <td>6 Directors of the Company (excluding Outside Directors and those who are not living in Japan)</td> <td>6,200 shares</td> </tr> <tr> <td>30 Operating Officers of the Company (excluding those who are not living in Japan)</td> <td>19,600 shares</td> </tr> <tr> <td>51 employees of the Company</td> <td>20,400 shares</td> </tr> <tr> <td>38 Directors of subsidiaries of the Company</td> <td>18,600 shares</td> </tr> <tr> <td>4 Operating Officers of subsidiaries of the Company</td> <td>1,700 shares</td> </tr> </table>	6 Directors of the Company (excluding Outside Directors and those who are not living in Japan)	6,200 shares	30 Operating Officers of the Company (excluding those who are not living in Japan)	19,600 shares	51 employees of the Company	20,400 shares	38 Directors of subsidiaries of the Company	18,600 shares	4 Operating Officers of subsidiaries of the Company	1,700 shares
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	Continued service period-based restricted stock	
	6 Directors of the Company (excluding Outside Directors and those who are not living in Japan)	5,600 shares
	30 Operating Officers of the Company (excluding those who are not living in Japan)	11,400 shares
	18 Directors of subsidiaries of the Company	6,800 shares
	20 Operating Officers of subsidiaries of the Company	4,300 shares
(7) Other	The Disposition of Treasury Shares shall be made on the condition that securities registration statements under the Financial Instruments and Exchange Act become effective.	

2. Purpose of and reason for the Disposition of Treasury Shares

The Company passed a resolution at the meeting of the Board of Directors held on May 14, 2019 to introduce a restricted stock compensation plan (the "Plan") for the purpose of giving incentives to Directors ("Eligible Directors" excluding Outside Directors and those who are not living in Japan) to work for the sustained improvement of the Company's corporate value and facilitating their sense of sharing value with shareholders. The 65th annual general meeting of shareholders held on June 21, 2019 approved the provision, under the Plan, of annual monetary compensation claims of no more than 50 million yen as compensation for the acquisition of performance-linked restricted stock, which is described in the Overview of the Plan below, and annual monetary compensation claims of no more than 50 million yen as compensation for the acquisition of continued service period-based restricted stock, which is also described in the Overview of the Plan below, to the Eligible Directors.

The Board of Directors of the Company has adopted a resolution to additionally introduce the Plan for Operating Officers and employees of the Company and for Directors and Operating Officers of subsidiaries of the Company (excluding those who are not living in Japan; hereinafter collectively, including the Eligible Directors, "Eligible Directors, etc.").

The Disposition of Treasury Shares is carried out as part of the Plan, and treasury shares will be allocated to the Eligible Directors, etc.

The following is an overview of the Plan.

Overview of the Plan

The Plan is a restricted stock compensation plan where the Company or subsidiaries of the Company provides monetary compensation claims to the Eligible Directors, etc., who make in-kind contributions to receive restricted common shares allocated by the Company. There are two types of restricted common shares: performance-linked restricted stock—the number of shares which have their transfer restrictions lifted is

determined according to the level of achievement of performance targets for the enhancement of corporate value over the medium to long term —and continued service period-based restricted stock, which have their transfer restrictions lifted on condition that the Eligible Directors, etc. continue to serve as Director or in any other specific position for a certain period.

Under the Plan, Eligible Directors, etc. shall make in-kind contributions of all the monetary compensation receivables to be granted from the Company and in return receive the Company's common stock that will be disposed of by the Company.

Under the Plan, the Company may annually dispose of and allocate a maximum of 50,000 shares of common stock as performance-linked restricted stock and a maximum of 50,000 shares of common stock as continued service period-based restricted stock to the Eligible Directors (if a split of common stock [or a free allotment of common stock] or a reverse split of common stock is executed after the resolution was adopted at the 65th annual general meeting of shareholders held on June 21, 2019, or the maximum number of shares of common stock to be allocated needs to be adjusted under other circumstances, reasonable adjustments may be made to the maximum number). The amount paid for a share is the closing price of shares of the Company's common stock on the Tokyo Stock Exchange on the business day before the date of a resolution regarding delivery at a Board of Directors meeting (if the trade is not made on that day, the closing price on the trading day immediately prior to that day).

This time, the Company will grant monetary compensation claims totaling 272,684,500 yen ("Monetary Compensation Claims"), or 94,600 common shares of performance-linked restricted stock and continued service period based restricted stock, taking into consideration the purpose of the Plan, the Company's business conditions, and the range of responsibilities of the Eligible Directors, etc., among other factors.

In the Disposition of Treasury Shares, under the Plan, the 145 Eligible Directors, etc. that the treasury shares will be allotted to will pay all Monetary Compensation Claims to the relevant company as property contributed in kind and receive shares of the Company's common stock that will be disposed of. The Company will conclude an agreement on the allotment of restricted stock with each of the Eligible Directors, etc. (the "Allotment Agreement") related to the Disposition of Treasury Shares. An outline of the Allotment Agreement is as stated in section 3 below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

- (i) Performance-linked restricted stock: From August 23, 2023 to August 22, 2026
- (ii) Continued service period-based restricted stock: From August 23, 2023 to August 22, 2053

(2) Release of restrictions on transfer, etc.

(i) Performance-linked restricted stock

At the end of the transfer restriction period, the transfer restrictions on the shares are lifted, the number of which is determined according to the level of achievement of performance targets, including consolidated operating profit target, which are set by the Board of Directors of the Company, on the condition that the Eligible Directors,

etc. continue to serve as Directors or in any other specific position for a certain period during the transfer restriction period. However, if the Eligible Directors, etc. have relinquished the position of Director or any other specific position before the transfer restriction period expires for reasons that the Board of Directors of the Company deems justifiable, the Company will adjust the number of shares on which the transfer restriction is lifted and the time when the transfer restrictions is lifted as necessary in a reasonable manner.

(ii) Continued service period-based restricted stock

At the end of the transfer restriction period, transfer restrictions are lifted on all shares held by the Eligible Directors, etc. under the Plan on condition that the Eligible Directors, etc. continue to serve as Director or in any other specific position for a certain period in the transfer restriction period. However, if the Eligible Directors, etc. have relinquished the position of Director or any other specific position before the transfer restriction period expires for reasons that the Board of Directors of the Company deems justifiable, the Company will adjust the number of shares on which the transfer restriction is lifted and the time when the transfer restrictions is lifted as necessary in a reasonable manner.

(3) Acquisition of allotted shares without consideration

If the Eligible Directors, etc. have relinquished any specific position before the transfer restriction period expires for reasons that the Board of Directors of the Company does not deem justifiable, or if certain grounds set out in the Allotment Agreement are met, the Company will automatically acquire the shares allotted under the Plan.

The Company will automatically acquire the shares for which the restriction on transfer is not lifted at the time when the transfer restriction period expires or when the restriction on transfer is lifted for any other reason without consideration.

(4) Management of shares

The shares allotted under the Plan are managed in a dedicated account opened by the Eligible Directors, etc. at a securities company specified by the Company during the transfer restriction period so that the Eligible Directors, etc. will be unable to execute a transfer, create a security interest or dispose of them during the transfer restriction period. The Company enters into a contract with the securities company for the management of the account owned by the Eligible Directors, etc. to ensure the effectiveness of the transfer restrictions on the shares allotted under the Plan. The Eligible Directors, etc. shall agree on the management of the account.

(5) Measures to be taken in relation to organizational restructuring, etc.

Notwithstanding (1) above, in the event of approval, during the transfer restriction period, by the general meeting of shareholders of a proposal under which the Company merges with another company that is the surviving entity and thus ceases to exist, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary of another company, or other organizational restructuring, etc. (if the approval of the general meeting of shareholders is not required, the resolution of the Board of Directors), the Company shall cancel the transfer restriction prior to the effective date of the said

organizational restructuring, etc. with respect to the number of shares reasonably determined based on the period between the commencement date of transfer restriction period and the effective date of the said organizational restructuring, etc. In this case, the Company shall, immediately following such cancellation of transfer restriction, automatically acquire shares for which transfer restriction is not lifted, without consideration.

(6) Other matters to be determined by the Board of Directors

In addition to the above, the Allotment Agreement shall include ways of manifesting intentions and providing notice, methods for revising the Allotment Agreement, and other matters to be determined by the Board of Directors.

4. Calculation basis of payment amounts and relevant details

The disposition value of the Disposition of Treasury Shares to each of the Eligible Directors, etc. is set at 2,882.5 yen, which is the closing price of the Company's common stock in the Prime Market of the Tokyo Stock Exchange on June 29, 2023 (business day preceding the date of resolution of the Board of Directors), to make the disposition value a value that eliminates arbitrariness. This is the market share price immediately before the date of resolution of the Board of Directors, and the Company believes that it is a reasonable price and does not fall under a value that is particularly favorable to each of the Eligible Directors, etc.