

(Translated)

June 23, 2023

To whom it may concern

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Notice regarding Disposal of Treasury Stock as Restricted Stock Compensation

ITOHAM YONEKYU HOLDINGS Inc. (the “Company”) hereby announces that the Board of Directors resolved at a meeting held today to dispose treasury stock as restricted stock compensation (the “Disposal of Treasury Stock”) as follows.

1. Outline of Disposal

(1) Date of disposal	July 11, 2023
(2) Class and number of shares to be disposed	106,486 shares of the Company’s common stock
(3) Disposal value	724 yen per share
(4) Total disposal value	77,095,864 yen
(5) Planned allottees	Directors*: 3 persons, 33,838 shares Executive officers: 13 persons, 72,648 shares (* excluding outside directors)
(6) Other	The Disposal of Treasury Stock is subject to the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reasons for Disposal

The Company resolved at the Board of Directors held on May 22, 2018 to introduce a Restricted Stock Compensation Plan (the “Plan”) to grant restricted shares to the Company’s directors (excluding outside directors) and executive officers to further enhance their motivation to increase the stock price and the corporate value of the Company, while further sharing risks and benefits from the stock price fluctuations with the Company’s shareholders. Based on the Plan, the 2nd Ordinary General Meeting of Shareholders held on June 26, 2018 has approved the following: The maximum aggregate amount of monetary compensation claims that is provided to the directors (excluding outside directors) to fund the restricted shares under the Plan shall be set within 80 million yen per year, the maximum number of restricted shares allocated to the directors (excluding outside directors) shall be 100,000 shares per fiscal year, and restricted period to transfer those shares shall be between 20 to 30 years, with the exact period to be determined by the Board of Directors.

Today, the Board of Directors resolved to provide monetary compensation claims of

77,095,864 yen in total with the planned allottees, specifically the Company's three directors (excluding outside directors) and 13 executive officers (the "Allottees"), the whole amount of which shall be considered as in-kind contribution by the Allottees, and to allocate 106,486 shares of the Company's common stock as specified restricted shares accordingly. The said restricted stock compensation corresponds to the period starting from the 7th Ordinary General Meeting of Shareholders till the 8th Ordinary General Meeting of Shareholders to be held in June 2024 for the directors and the Company's 8th fiscal year (April 1, 2023 to March 31, 2024) for the executive officers. The amount of the monetary compensation claims for each Allottee is determined based on comprehensive factors, such as the extent of the contribution by each to the Company. Besides, the monetary compensation claims are subject to signing a Restricted Stock Compensation Agreement (the "Stock Compensation Agreement") between each Allottee and the Company, which is as outlined below.

Further, the transfer restricted period has been set as 30 years to realize the purpose of the Plan over the longest period possible. That is to further enhance their motivation to increase the stock price and the corporate value of the Company, while further sharing risks and benefits from the stock price fluctuations with the Company's shareholders.

3. Overview of Stock Compensation Agreement

(1) Transfer Restricted Period

July 11, 2023 to July 10, 2053

During the transfer restricted period as specified above (the "Restricted Period"), the restricted shares that have been allocated to the Allottees (the "Allocated Shares") may not be transferred, pledged, assigned, gifted, bequeathed, or otherwise disposed of to third parties (the "Restrictions").

(2) Free Acquisition of Restricted Shares by the Company

If an Allottee has resigned from any position as a director or executive officer of the Company prior to the day before the first Company's Ordinary General Meeting of Shareholder (or the day before the first fiscal year-end in case of the executive officer) since the beginning of the Restricted Period, the Company shall acquire his or her Allocated Shares free of charge as a matter of course at the time of losing the position, unless there is a legitimate reason as accepted by the Board of Directors (e.g. the expiration of the term of office).

In case there is any Allocated Shares for which the Restrictions remain at the time the Restricted Period expires (the "Expiry of Restricted Period") due to a provision set forth in (3) below, the Company shall acquire such Allocated Shares at the time immediately after the Expiry of Restricted Period, free of charge as a matter of course.

(3) Lifting of Restrictions

Upon the Expiry of Restricted Period, the Company shall lift the Restrictions on all the Allocated Shares each Allottee holds at that point, provided that the Allottee has retained the position either as a director or executive officer of the Company from the beginning of the Restricted Period through the date of the first Ordinary General Meeting of the Shareholders (or through the first fiscal year-end in case of the executive officer) since the beginning of the Restricted Period. However, in case the Allottee is to lose any position as a director or

executive officer of the Company before the Expiry of Restricted Period for a legitimate reason as accepted by the Board of Directors (e.g. the expiration of the term of office), the Company shall lift the Restrictions immediately after leaving the position for those Allocated Shares as computed below; the number of months counted from July 2023 (or April 2023 in case of the executive officer) through the month of leaving, which is divided by twelve (if the number exceeds one, it shall be one), then multiplied by the number of Allocated Shares that the Allottee holds at that point (if the result makes any fraction less than one share, it shall be rounded down).

(4) Administration of Shares

The Allottees shall complete the process of opening accounts with SMBC Nikko Securities Inc. to register and record the Allocated Shares in a way designated by the Company. They shall hold and maintain the Allocated Shares in these accounts until the Restrictions are lifted.

(5) Treatment in the event of Reorganization, etc.

If, during the Restricted Period, a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company, or any other proposal related to reorganization, etc. was approved by the General Meeting of Shareholders of the Company (or by the Board of Directors in case it does not require approval of the General Meeting of Shareholders), hereinafter “Approval of Reorganization, etc.,” (This is applicable only when such reorganization, etc. is to take effect before the Expiry of Restricted Period.), and if the Allottees are to lose any position as the directors or executive officers following the event, the Board of Directors shall resolve to lift the Restrictions for those Allocated Shares as computed below, at the timing immediately preceding the business day before effective date of the reorganization, etc. Those shares are based on the number of months counted from July 2023 (or April 2023 in case of the executive officer) through the month of its approval, which is divided by twelve (if the number exceeds one, it shall be one), then multiplied by the number of Allocated Shares that Allottees hold as of its approval date (if the result makes any fraction less than one share, it shall be rounded down).

Upon Approval of Reorganization, etc., the Company shall acquire any of applicable Allocated Shares, free of charge as a matter of course, on the business day before effective date of the reorganization, etc. for which the Restrictions have yet to be lifted as of the day.

4. Basis of Calculation of Payment Amount and Specific Details

The disposal value for the Disposal of Treasury Stock shall be 724 yen per share, the closing price of the Company’s common stock on the Tokyo Stock Exchange as of the business day immediately before the resolution date at the Board of Directors (June 22, 2023), to avoid arbitrary decision on the value. It represents the stock’s market price immediately preceding the resolution date at the Board of Directors, which the Company deems to be reasonable and not particularly favorable.