



July 7, 2023

Name of Company: Meiji Holdings Co., Ltd.

Name of Representative: Kazuo Kawamura, CEO, President and Representative Director

Code Number: 2269, Prime Market, Tokyo Stock Exchange

Notice concerning the Disposal of Treasury Stock under Restricted Stock Incentive Plan for Employees in Managerial Positions

Meiji Holdings Co., Ltd. (the “Company”) announces that its Board of Directors resolved at a meeting on July 7, 2023 to conduct a disposal of its treasury stock (the “Disposal of Treasury Shares” or “Disposal”) under a restricted stock incentive plan (the “Plan”) for employees in managerial positions at the Company and its business subsidiaries, Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd., and KM Biologics Co., Ltd. (the “Business Subsidiaries”).

Details

1. Overview of the Disposal of Treasury Shares

1	Payment date	September 25, 2023
2	Class and number of shares to be disposed	Common shares of the Company: 163,500 shares
3	Disposal value	¥ 3,265 per share
4	Total disposal value	¥ 533,827,500
5	Recipients of allocation	Employees at the Business Subsidiaries: 1,635 persons, 163,500 shares
6	Other	The Disposal of Treasury Shares is conditional on the effectuation of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and Reasons for the Disposal

The Company resolved to introduce the Plan at a meeting of its Board of Directors held on January 10, 2023. The Plan is to motivate employees who are driving the Group's Medium- and Long-Term Business Plans and sustainable corporate growth to contribute to enhancing the Group's corporate value and further share value with shareholders by granting restricted stock. Based on the above, the Company has resolved to grant 100 shares of common stock of the Company as the Disposal of Treasury Shares to 1,635 employees in managerial positions at the Company and the Business Subsidiaries (the “Eligible Employees”) under the Plan by investing in kind to the Company using monetary claims (total ¥ 533,827,500) paid by each of the Business Subsidiaries treated as investment capital. Each Eligible Employee will be granted 100 shares, which is the number of shares in one unit of the Company's stock. In addition, from the viewpoint of encouraging medium- to long-term and continuous contribution of motivation, we will establish a period which the transfer of the Allocation-Shares will be restricted. We will also set the period as four years from the payment date of the Allocation-Shares to the end of the

"Meiji Group 2026 Vision" period.

Each of the Business Subsidiaries will issue the monetary claims to each Eligible Employee. The Eligible Employees will contribute the entirety of this property on an in-kind basis, whereupon the Company will subscribe for shares of common stock to be allotted through the Disposal of Treasury Shares (the "Allocation-Shares").

Under the Plan, monetary claims to be contributed in kind to each Eligible Employee will be paid by each of the Business Subsidiaries. Therefore, the treasury stock will not result in a reduction in the wages of the Eligible Employees. In addition, the Allocation-Shares will be allocated only to those Eligible Employees who wish to subscribe.

In conjunction with the Disposal of Treasury Stock, the Company will conclude restricted stock allocation agreement that includes the following with the Eligible Employees.

Overview of the Restricted Stock Allocation Agreement

1. Transfer Restriction Period

September 25, 2023, to September 24, 2027

During the period for which the Transfer Restrictions apply (the "Transfer Restriction Period"), the Eligible Employees must not transfer, create any security interest on, or otherwise dispose of the Allocation-Shares.

2. Lifting Transfer Restrictions

The Company will lift the transfer restrictions on the entirety of the Allocation-Shares upon the expiration of the Transfer Restriction Period, provided that the Eligible Employee continuously retains their status as an employee of the Company or the Business Subsidiaries throughout the Transfer Restriction Period.

However, in the case of (i) or (ii) below, the transfer restrictions shall be lifted with respect to all of the Allocation-Shares as of the time of loss or business day prior to the issuance of the assignment as described below.

- (i) If an Eligible Employee loses their status as an employee of the Company or the Business Subsidiary during the Transfer Restriction Period due to the expiration of their employment period (or the expiration of the reemployment period in the case of reemployment after retirement), death, promotion to a director or executive officer of the Company or the Business Subsidiary, transfer to a company other than the Company or the Business Subsidiary or other reasons the Company deemed justifiable by the Company (except in the case of (ii) below).
- (ii) If it is decided by the Company or the Business Subsidiary that an Eligible Employee will be transferred to a business office of the Company or the Business Subsidiary outside Japan or to an affiliate of the Company during the transfer restriction period

3. Acquisition by the Company free of charge

If the Eligible Employee loses their status as an employee of the Company or the Business Subsidiary during the transfer restriction period, the Company shall naturally acquire all of the Allocation-Shares without consideration as of the time of such loss. Except in the case of (i) or (ii) below:

- (i) When employed or reemployed in one of such status at the time of the loss.

- (ii) The Eligible Employee loses any of such status due to the expiration of their employment, death, promotion to a director or executive officer of the Company or the Business Subsidiary, transfer to a company other than the Company or the Business Subsidiary, or other reasons deemed justifiable by the Company.

4. The Management of the Allocation-Shares

The Allocation-Shares shall be managed in a dedicated account for restricted stock opened by the Eligible Employee at Daiwa Securities Co., Ltd. during the transfer restriction period so that the Allocation-Shares may not be transferred, pledged or otherwise disposed of during the transfer restriction period.

5. Provision for Cases where the Company undergoes Reorganization

If, during the transfer restriction period, a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary of another company, or any other matter concerning reorganization is approved by the Company's General Shareholders' Meeting approves (or by the Company's Board of Directors if the approval of the General Shareholders' Meeting is not required for such), upon the Company's decision, the restrictions on the transfer of all of the Allocation-Shares shall be lifted as of midnight of the business day following the date of such approval.

3. Basis for Calculating Payment Amount and the Details thereof

In order to eliminate arbitrariness, the disposal price for this treasury stock disposal is set at ¥ 3,265, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day before the date of the Board of Directors' resolution (July 6, 2023). This is the market share price immediately prior to the date of the Board of Directors' resolution and is considered reasonable.

Furthermore, the above value has a rate-of-divergence of +0.99% (rounded off to two decimal places; the same applies for all other deviation figures) relative to the simple average closing price of ¥ 3,233 (with fractional amounts discarded; the same applies for all other simple average prices) for the one-month period ending on the business day preceding the date when the Board of Director resolved the Disposal (Wednesday June 7 to July 6, 2023); it has a rate-of-divergence of +0.77% relative to the simple average closing price of ¥ 3,240 for the three-month period ending on the said business day (Friday April 7 to July 6, 2023); and it has a rate-of-divergence of +0.99% relative to the simple average closing price of ¥ 3,233 for the six-month period ending on the said business day (Tuesday January 10 to July 6, 2023). In light of these rates, the Company believes that the said value is not particularly advantageous.

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