



June 27, 2023

To whom it may concern:

Corporate Name: TAIYO HOLDINGS CO., LTD.

Representative: Eiji Sato, President and CEO

(Code: 4626, listed on the Prime Market of the Tokyo Stock Exchange)

Inquiries: Sayaka Tomioka, Executive Officer,  
General Manager of Corporate Planning Department

Tel: +81-3-5953-5200 (main line)

## Notice Regarding Issuance of New Shares as Restricted Stock Compensation System and Performance-Linked Stock Compensation System

Taiyo Holdings Co., Ltd. (hereinafter the “Company”) hereby announces that its Board of Directors resolved at a meeting held on June 27, 2023 to issue new shares (hereinafter the “Issuance”) as part of the restricted stock compensation system and performance-linked stock compensation system (hereinafter collectively the “System”).

### 1. Outline of the Issue

(1) Pay-in date	July 14, 2023
(2) Total number of shares to be issued	106,058 shares of common stock
(3) Issue price	2,677 yen per share
(4) Total issue value	283,917,266 yen
(5) Amount of funds raised	164,100,100 yen
(6) Offering or allotment method	44,758 shares will be allotted with specified transfer restrictions. 61,300 shares will be allotted in third-party allotment.
(7) Allottees	Allotment with specified transfer restrictions: Four executive directors of the Company 44,758 shares Third-party allotment: Four executive directors of the Company 61,300 shares
(8) Contribution method	Allotment with specified transfer restrictions: Allottees exchange monetary claims for the shares Third-party allotment: Allottees purchase the shares with cash
(9) Other details	The Issuance is contingent upon the securities registration statement taking effect pursuant to the Financial Instruments and Exchange Act.

## 2. Purpose and Reason for the Issuance

The Issuance will be conducted as part of the System, which provides compensation to the Company's executive directors (as used in this press release, "executive directors" means the directors specified in Article 363, Paragraph 1 of the Companies Act) in order to further motivate them to contribute toward the sustainable enhancement of the Taiyo Holdings Group's (hereinafter the "Group") corporate value and to further promote the sharing of values between executive directors and shareholders. The System was introduced in accordance with the resolutions passed at the Board of Directors at a meeting held on May 19, 2017 and by the shareholders at the 71st Ordinary General Shareholders Meeting held on June 21, 2017, and most recently revised in accordance with the resolutions passed at the Board of Directors at a meeting held on May 12, 2022, and by the shareholders at the 76th Ordinary General Shareholders Meeting held on June 18, 2022. The overview of the System is described below.

### <Overview of the System>

#### (1) Overview of the System

Under the System, the Company allots shares of common stock issued or disposed of by the Company to executive directors under conditions (1) through (4) below.

- 1) The total number of common stock issued or disposed of by the Company under the transfer-restricted stock compensation system in one fiscal year shall be 80,000 shares (hereinafter the "Restricted Stock Cap"), while the number of common stock issued or disposed of by the Company under the performance-linked stock compensation system in one fiscal year shall be 200,000 shares (hereinafter the "Performance Stock Cap." The total number of common stock issued or disposed of by the Company under the System including common stock held by all executive directors of the Company eligible to receive the allotment of shares (limited to persons serving as executive directors when the allotment takes place) in one fiscal year shall be fewer than 2,840,000 shares (hereinafter the "Holdings Cap."
- 2) The Restricted Stock Cap, Performance Stock Cap, and Holdings Cap may be adjusted in proportion to the split ratio/merger ratio, within reason, if the Company decides to undertake a stock split or reverse stock, or if it otherwise becomes necessary to adjust the cap.
- 3) The Company must determine the number of common shares to allocate for restricted stock compensation before determining the number for performance-linked stock compensation.
- 4) The amount paid per share of common stock of the Company allotted under the System shall be, in principle, the closing price of the Company's common stock on the Tokyo Stock Exchange (hereinafter the "TSE") on the business day immediately preceding the date of each Board of Directors resolution regarding the determination of the offering of shares to be issued or disposed of if no such transaction effected, the closing price on the immediately preceding trading day. The amount paid shall be determined by the Board of Directors to the extent not particularly favorable to the Executive Directors subscribing for such common stock.

#### (2) Overview of restricted stock compensation system

Under the Restricted Stock Compensation System, the Company issues executive directors with

monetary claims (hereafter “Transfer-restricted Stock Compensation Claims”) they can use to purchase transfer-restricted stock of up to 300 million yen per year. After receiving their Transfer-restricted Stock Compensation Claims from the Company, the executive directors must pay the entirety of the monetary claims as in-kind contributions in exchange for receiving the common shares issued or disposed of by the Company.

Transfer-restricted Stock Compensation Claims are contingent on the following:

- ① The executive directors agree to pay the entirety of the monetary claims they receive as in-kind contributions in proportion to the common shares issued or disposed of by the Company.
- ② The executive directors sign an agreement with the Company concerning the allotment of transfer restricted stock (the Restricted Stock Allotment Agreement).
- ③ Executive directors still hold the position of executive director as of the time immediately before the payment date for the shares newly issued or disposed of in connection with the allotment.
- ④ The issuance of new shares or disposition of treasury shares related to the allotment has not been withdrawn, suspended, or canceled for other reasons.

In consideration of conditions ① and ②, of the 106,058 shares of common stock to be issued in the Issuance, the 44,758 shares that pertain to restricted stock compensation are deemed shares with specified transfer restrictions as defined in Article 54, Paragraph 1, of the Corporation Tax Act and in Article 84, Paragraph 1, of the Order for Enforcement of the Income Tax Act.

A summary of the Restricted Stock Allotment Agreement is provided in “(3) Summary of Restricted Stock Allotment Agreement.”

In consideration of the executive directors’ responsibilities and current trends, the total value of the monetary claims the Company will provide as Restricted Stock Compensation Claims (hereinafter the “Monetary Claims”) will be 119,817,166 yen. This amount is considered sufficient to encourage executive directors to further promote the sharing of values between executive directors and shareholder and to motivate them to contribute toward the Company’s corporate value in the medium-to-long term. The Monetary Claims will be exchanged for a total of 44,758 shares of common stock to be issued based on the transfer-restricted stock compensation system. The transfer restriction period will last ten years be starting from the pay-in date of the newly issued common stock.

Under the Issuance, four executive directors designated as allottees under the restricted stock compensation system will receive 44,758 shares of common stock in exchange paying the entirety of their Monetary Claims against the Company as in-kind contributions.

### (3) Summary of Restricted Stock Allotment Agreement

1) Period of agreement: July 14, 2023, to July 13, 2033

2) Condition for lifting restrictions

Restrictions on the transfer of the stock are released once the following condition is met: The restriction period for the executive director’s allotted shares (as used in this section (3), “allotted shares” means the entirety the shares of the Company’s common stock to be allotted to the executive director under the Restricted Stock Allotment Agreement) has elapsed (the restriction period may be adjusted if the executive director dies in office) and the executive director remained incumbent throughout the eligibility period (as used in this section (3), “eligibility period” means the period in which the executive directors are eligible to be paid Transfer-restricted Stock Compensation Claims, the period lasting from the day of the 77th Ordinary General Shareholders Meeting to the day before the 78th Ordinary General Shareholders Meeting.)

3) Provision for cases where executive directors retire during the eligibility period

If an executive director leaves office (or otherwise loses his/her status as executive director), the Company will immediately acquire, as a matter of course and for no consideration, the portion of the allotted shares for which restrictions still apply as per the previous paragraph, “2) Condition for lifting restrictions.” This portion is the number of allotted shares that remains after subtracting the number of allotted shares that would become fully transferable had the executive director remained in office. The latter number is the product (rounding down to the nearest whole number) of (1) the number of allotted shares the executive director holds at the time he/she retired and (2) one twelfth of the number of elapsed months starting from the month following the month in which the 77th Ordinary General Shareholders Meeting was held and the month in which the executive director retires.

4) Acquisition of shares by the Company without compensation

Notwithstanding provisions including “3) Provision for cases where executive directors retire during the eligibility period” above, immediately after the restriction period has elapsed, the Company will acquire, as a matter of course and for no consideration, allotted shares that remain restricted.

5) Management of shares

The allotted shares are managed in a dedicated account opened by the executive directors at SMBC Nikko Securities Inc. during the transfer restriction period so that the executive directors will be unable to execute a transfer, create a security interest or dispose of them during the restriction period. The executive directors shall agree on the management of the account.

6) Provision for corporate reorganization, etc.

The Company may cancel the restrictions on the allotted shares by resolution of the Board of Directors if (1) the Ordinary General Shareholders Meeting approves a corporate reorganization (or the Board of Directors does so, if Ordinary General Shareholders Meeting’s approval is unnecessary), such as a merger agreement in which the Company becomes a non-surviving company or a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company, or (2) a change in controlling shareholder occurs. In the case of (1), the restrictions will be canceled immediately before the business day preceding the effective date of the corporate reorganization. In the case of (2), they will be canceled on the day on which the change in controlling shareholder occurs. If a corporate reorganization is approved or another event occurs during the eligibility period, the Company will immediately acquire, as a matter of course and for no consideration, the portion of the allotted shares for which restrictions still apply. This portion is the number of allotted shares that remains after subtracting the number of allotted shares that would become fully transferable had the event not occurred. The latter number is the product (rounding down to the nearest whole number) of (1) the number of allotted shares the executive director holds at the time and (2) one twelfth of the number of elapsed months starting from the month following the month in which the 77th Ordinary General Shareholders Meeting was held and the month in which a corporate reorganization or a change in controlling shareholder occurs.

(4) Overview of performance-linked stock compensation system

For performance-linked stock compensation system, the Company provides to executive directors performance cash, which the executive directors use to purchase their allotted shares of common stock. Once the eligibility period (meaning the period beginning from the date of the Ordinary General

Shareholders Meeting held two years before the fiscal year in which the performance cash is paid and ending on the day before the Ordinary General Shareholders Meeting held in the fiscal year before then) has elapsed, executive directors who have received their performance cash pay this cash in exchange for common stock issued or disposed of by the Company. However, excluded from performance cash are all income tax, resident tax, and other taxes levied on the performance cash, all social security premiums connected with the performance cash, all payment handling fees, and any fractional portion (the rounded off portion); hereafter the same shall apply.

Performance cash is contingent on the following: (1) The executive directors undertake to exchange the entirety of their performance cash for their allotted common stock issued or disposed of by the Company, and (2) the executive directors sign an agreement with the Company concerning the performance-linked stock (the Performance-linked Stock Agreement).

However, it is possible that a law or judicial judgment prevents the Company from allotting common stock issued or disposed of by the Company to the executive directors in accordance with their performance-linked stock compensation. In such case, the recipients will receive their performance-linked stock compensation in cash only. When the number of shares in common stock issued or disposed of by the Company in accordance with the performance-linked stock compensation System exceeds the Performance Share Cap or the Holdings Cap, the Company will pay the portion in excess in cash, as opposed to shares. Further, if an executive director transfers his/her right to receive performance-linked stock compensation to his/her heir as part of an inheritance process, the heir will receive the compensation in cash only. A summary of the Performance-linked Stock Agreement is provided in "(5) Summary of Performance-linked Stock Agreement."

In the Issuance, the Company will pay 371,728,126 yen of performance cash to the executive directors, this amount being within 3.4% of the profit before income taxes (15,462 million yen) as of the 77th fiscal year by "1 - the average effective tax rate for the most recent three fiscal years - the average ratio of net income attributable to noncontrolling interests for the most recent three fiscal years" (70.71%). This performance cash will be exchanged for 61,300 common shares to be issued as performance-linked stock compensation pursuant to the performance-linked stock compensation system. The transfer restriction period will last three years be starting from the pay-in date of the newly issued common stock.

Under the Issuance, pursuant to the performance-linked stock compensation system four executive directors designated as allottees will receive 61,300 shares of common stock.

#### (5) Summary of Performance-linked Stock Agreement

1) Period of agreement: July 14, 2023, to July 13, 2026

2) Time when restrictions are lifted

Restrictions on the allotted shares (as used in this section (5), "allotted shares" means the common shares allotted pursuant to this agreement) will be lifted in their entirety once the restriction period elapses (the period may be adjusted at the shareholder's request if an inheritance process concerning the shareholder has commenced).

3) Management of shares

The allotted shares are managed in a dedicated account opened by the executive directors at SMBC Nikko Securities Inc. during the transfer restriction period so that the executive directors will be unable to execute a transfer, create a security interest or dispose of them during the restriction period. The executive directors shall agree on the management of the account.

#### 4) Provision for corporate reorganization, etc.

The Company may lift the restrictions on the entirety of the allotted shares by resolution of the Board of Directors if (1) the Ordinary General Shareholders Meeting approves a corporate reorganization (or the Board of Directors does so, if Ordinary General Shareholders Meeting's approval is unnecessary), such as a merger agreement in which the Company becomes a non-surviving company or a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company, or (2) a change in controlling shareholder occurs. For (1), the restrictions will be canceled immediately before the business day preceding the effective date of the corporate reorganization. For (2), they will be canceled on the day on which the change in controlling shareholder occurs.

### 3. Amount of Proceeds, Their Use and Planned Disbursement Date

#### (1) Amount of Proceeds

1) Total amount paid in	164,100,100 yen
2) Estimated issuance costs	220,000 yen
3) Estimated net proceeds	163,880,100 yen

(Notes) 1. Of the shares issued in the Issuance, the 44,758 shares issued as restricted stock compensation will be paid for in kind (by monetary claims provided by the Company), not in cash.

2. The estimated issuance costs exclude consumption tax.

3. The issuance costs include the cost of producing the securities registration statement.

#### (2) Specific use of procured capital

As previously noted, the Issuance will be conducted as part of the two components of the stock compensation system (transfer-restricted stock compensation and performance-linked stock compensation), which provide compensation to executive directors in order to motivate them to contribute toward the sustainable enhancement of the Group's corporate value and to further promote the sharing of values between executive directors and shareholder.

The 44,758 shares to be issued as transfer-restricted stock compensation will be paid for in kind as assets to be contributed, not in cash. Specifically, they will be paid for by the monetary claims that the Company provides to executive directors (as restricted stock compensation) during the period from the day of the 77th Ordinary General Shareholders Meeting to the day before the 78th Ordinary General Shareholders Meeting.

The 163,880,100 yen in estimated net proceeds pertains to performance-linked stock compensation. It is the amount that the Company would receive when the executive directors pay the entirety of their performance cash for the 77th fiscal year (excluding all income tax, resident tax, and other taxes levied on the cash, all social security premiums connected with the cash, all payment handling fees, and any amount less than the amount paid for one unit of the shares). From July 14, 2023, the net proceeds will be used as part of working capital. Until paid, the cash will be held in the Company's deposit account.

#### 4. Rationale for Use of Proceeds

The Issuance is not intended as a fund-raising measure. As explained in Section 2. "Purpose and Reason for the Issuance," it is implemented as part of the stock compensation system, which itself is designed to motivate executive directors to contribute toward the Group's corporate value and to further promote the sharing of values between executive directors and shareholders. This is justified because it will provide

executive directors with an incentive over the medium to long term that will benefit the Company's corporate value and the interests of shareholders.

## 5. Reasonableness for Terms of Issuance

### (1) Calculation basis of payment amounts and relevant details

The issue price for the Issuance was based on the value of the Company's common shares. This amount was 2,677 yen, the closing price that the common shares fetched on the TSE on June 26, 2023, which was the business day preceding the date on which the Board of Directors approved the Issuance. The stock price on this date was reasonably representative of the Company's performance and market trends (and not, therefore, artificially advantageous) given that the common stock was listed and stable (there were no significant fluctuation events at the time).

The issue price for the Issuance is considered reasonable, and not artificially advantageous, in that it exceeds 90% of the stock price for the business day preceding the board's resolution and the average closing prices over the one-month period preceding the resolution (from May 29, 2023 to June 26, 2023), the three-month period preceding the resolution (March 27, 2023, to June 26, 2022), and the six-month period preceding the resolution (December 27, 2022, to June 26, 2023). For the one-month average closing price of 2,571 yen (all monetary amounts rounded to nearest yen), the issue price represents a premium of 4.12% (all percentages are rounded to two decimal places). For the three-month average closing price of 2,527 yen, it represents a premium of 5.94%. For the six-month average closing price of 2,447 yen, it represents a premium of 9.40%.

The issue price was set in a manner consistent with the Japan Securities Dealers Association's policy on capital increases through third-party allotments.

### (2) Rational for concluding that volume of shares to be issued and scale of dilution of shares are reasonable

In the Issuance, the Company will issue 106,058 shares, representing 1,059 voting rights (of these shares, 44,758, representing 446 voting rights, will be for restricted stock compensation, and 61,300, representing 613 voting rights, will be for performance-linked stock compensation). The additional shares represent 0.18% of the 58,185,501 of total issued shares as of March 31, 2023 (common shares of 58,185,501 shares; as of today, common shares of 58,185,501 shares) (those issued for restricted stock compensation represent 0.08% and those issued for performance-linked stock compensation represent 0.11% of total issued shares). They also represent 0.19% of the 558,426 voting rights (those issued for restricted stock compensation represent 0.08% and those issued for performance-linked stock compensation represent 0.11% of voting rights). The additional shares and share dilution are considered reasonable because the System will improve the Group's corporate value and benefit the interests of shareholders, in that it will incentivize executive directors to work toward the Company's corporate value and further promote the sharing of values between executive directors and shareholders.

## 6. Grounds for Choosing Allottees in Third-party Allotment of Common Shares as Performance-linked Stock Compensation

### (1) Outline of Allottees

#### 1) Outline of Allottees

Executive directors of the Company

Name	Four executive directors (Note)
Address	– (Note)
Role	Executive directors of the Company

(Note) The names and addresses are undisclosed because disclosing this information is not conducive to the purpose of the Issuance (which is to incentivize the executive directors to work toward the

sustainable enhancement of the Group's corporate value and identify with the interests of shareholders).

## 2) Allottees' interests in the Company

### Executive directors of the Company

Capital equity relations (Note)	The four executive directors hold 658,333 shares of the Company's common shares.
Employment relations	The three executive directors serve the Company in said role.
Financial relations	Not applicable.
Technological or business relations	Not applicable.

(Notes) 1. Capital/equity interest: This disclosure is based on the shareholder registry as of March 31, 2023

2. Confirming that allottees have no ties to organized crime: the Company investigated the allottees' career histories at the time they were appointed and, in the run-up to the Issuance, received from the allottees a written undertaking that they have no ties to organized crime. The written undertakings have been submitted to the TSE.

As its stock is listed on the Prime Market of the TSE, the Company has submitted to TSE the corporate governance report (dated June 19, 2023). As stated in Section IV ("Matters Concerning Internal Control Systems, etc.") under item 2. ("Basic Approach to the Eradication of Antisocial Forces and the Establishment of Related Systems") of the report, which contains our basic policy for preventing ties to organized crime, the Company believes that organized crime threatens public order and disrupts business. The report also outlines the Company's principles for dealing with any unlawful or improper demands; namely, the company will never acquiesce to such demands and will report any such demands to the police. The allottees accept this policy and adhere to it in discharging their directorial duties. For these reasons, the Company is satisfied that the allottees have no links to organized crime.

### (2) Reasons for selection of allottees

Of the shares issued in the Issuance, the 61,300 shares issued under the performance-linked stock compensation system will be allotted entirely to the four executive directors who are eligible under the system. These individuals were selected on the basis that allotting the shares to them would lead to the sustained enhancement of the Group's corporate value and benefit the interests of shareholders, in that it would incentivize the executive directors to work toward the Company's corporate value over the medium to long term and identify with the interests of shareholders.

### (3) Holding policy of allottees

The allottees have informed the Company that they intend to hold the shares allotted to them as performance-linked stock compensation (the total of these shares being 61,300) for the medium to long term on the belief that this will help them work toward the company's corporate value together with shareholders. As stated in section 2 ("Purpose and Reason for the Issuance"), the restriction period for the performance shares will last three years starting from the date on which the issued shares of common stock are purchased.

However, this transfer restriction may be lifted at the shareholder's request if an inheritance process concerning the shareholder is underway.

The Company will obtain from the allottees written statements confirming that (1) they will provide the company with advance written notice if they intend to transfer all or some of the shares within two years



of the date they pay for the shares, and that (2) in such a case they will consent to the Company disclosing their notice to the TSE and making it viewable to the general public.

(4) Confirmation of assets required for payment by allottees

Performance-linked stock compensation for the 77th fiscal year to be provided to the executive directors, the allottees, will be used for assets required for payment by allottees. The allottees will be provided performance-linked stock compensation on condition that they undertake to exchange the entirety of the performance cash they receive for their allotted common shares issued or disposed of by the Company and that they sign the performance-linked stock Agreement. Hence, the Company is satisfied that the allottees will have an asset sufficient to purchase their allotted shares by the pay-in date.

7. Post-Issuance Major Shareholders and the Share Ratio

Before Issuance (March 31, 2023)	Shareholding ratio	After Issuance	Shareholding ratio
DIC Corporation	20.10	DIC Corporation	20.07
Kowa CO., LTD.	10.33	Kowa CO., LTD.	10.31
The Master Trust Bank of Japan, Ltd. (manages our trust account)	9.74	The Master Trust Bank of Japan, Ltd. (manages our trust account)	9.72
MISAKI ENGAGEMENT MASTER FUND (Standing proxy The Hongkong and Shanghai Banking Corporation Limited)	5.70	MISAKI ENGAGEMENT MASTER FUND (Standing proxy The Hongkong and Shanghai Banking Corporation Limited)	5.69
Custody Bank of Japan, Ltd. (manages trust account)	5.58	Custody Bank of Japan, Ltd. (manages trust account)	5.57
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	3.99	SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	3.99
Shikoku Chemicals Corporation	2.67	Shikoku Chemicals Corporation	2.66
The Bank of New York Mellon 140042(Standing proxy Mizuho Bank, Ltd.)	2.23	The Bank of New York Mellon 140042(Standing proxy Mizuho Bank, Ltd.)	2.23
Toshin Yushi Co., Ltd.	1.93	Toshin Yushi Co., Ltd.	1.92
GOVERNMENT OF NORWAY(Standing proxy Citibank, N.A. Tokyo Branch)	1.71	GOVERNMENT OF NORWAY(Standing proxy Citibank, N.A. Tokyo Branch)	1.70

(Notes) 1. Share ratio is the percentage of the total shares outstanding, which is calculated by excluding the 2,303,550 shares the Company holds as treasury shares as of March 31, 2023. The treasury shares exclude 125,600 shares held by The Master Trust Bank of Japan, Ltd. (for the ESOP trust) as common shares in the Company.

2. Percentages are rounded to the second decimal place.

## 8. Outlook

The Issuance has no material impact on the forecasts for the current fiscal year.

## 9. Procedures pertaining to the Code of Corporate Conduct

As the dilution ratio for the Issuance is less than 25% and does not involve a change in controlling shareholders, it is not necessary to obtain an opinion from an independent third party or carry out procedures to confirm the intent of shareholders as provided for in Article 432 of the Securities Listing Regulations prescribed by the TSE.

## 10. Performance and Equity Finance over the Past Three Years

### (1) Consolidated performance over the past three years

	FYE Mar 2021	FYE Mar 2022	FYE Mar 2023
Net sales	80,991 million yen	97,966 million yen	97,338 million yen
Operating income	13,943 million yen	17,958 million yen	15,972 million yen
Ordinary income	13,819 million yen	18,062 million yen	15,462 million yen
Profit attributable to owners of the parent	9,529 million yen	11,803 million yen	11,405 million yen
Basic earnings per share	167.49 yen	209.13 yen	203.71 yen
Dividend per share	80.10 yen	69.55 yen	89.00 yen
Net assets per share	1,348.42 yen	1,522.11 yen	1,663.25 yen

(Note) On October 1, 2021, the Company implemented a two-for-one common stock split. Basic earnings per share and net assets per share are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021. The dividends per share indicated above also reflect the implementation of the stock split.

### (2) Outstanding shares and shares of dilutive stock as of June 27, 2023

	Number of shares	Proportion to the number of shares outstanding
Total outstanding shares	Common shares 58,185,501	100.0%
Number of potentially dilutive shares based on a conversion price (exercise price) as of now	—	—%
Number of potential shares at the lower limit of the conversion price (exercise price)	—	—%
Number of potential shares at the upper limit of the conversion price (exercise price)	—	—%

### (3) Recent stock trends

#### 1) Stock trends over the past three years

	FYE Mar 2021	FYE Mar 2022	FYE Mar 2023
Starting price	2,043 yen	3,025 yen	3,235 yen
High	3,345 yen	3,600 yen	3,315 yen
Low	1,845 yen	2,410 yen	2,178 yen

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Closing price	3,015 yen	3,250 yen	2,500 yen
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(Note) On October 1, 2021, the Company implemented a two-for-one common stock split. Its stock prices before the implementation of the stock split have been adjusted and rounded to the nearest yen.

2) Stock trends over the past six months

	2023: January	February	March	April	May	June
Starting price	2,230 yen	2,400 yen	2,351 yen	2,539 yen	2,452 yen	2,525 yen
High	2,394 yen	2,460 yen	2,532 yen	2,539 yen	2,697 yen	2,703 yen
Low	2,178 yen	2,305 yen	2,350 yen	2,333 yen	2,433 yen	2,485 yen
Closing price	2,384 yen	2,365 yen	2,500 yen	2,446 yen	2,554 yen	2,677 yen

(Note) The stock prices for June 2023 are those as of June 26, 2023.

3) Stock trend on day preceding resolution date for issuance

	June 26, 2023
Starting price	2,604 yen
High	2,703 yen
Low	2,604 yen
Closing price	2,677 yen

(4) Equity finance over the past three years

1) Stock compensation with specified transfer restrictions, stock compensation by third-party allotment

Pay-in date	July 16, 2020
Total issue value	143,409,350 yen
Issue price	4,970 yen per share
Number of outstanding shares upon subscription	Common shares: 28,969,647 shares
Number of shares issued upon this subscription	Common shares: 28,855 shares
Total number of outstanding shares after the subscription	Common shares: 28,998,502 shares
Allottees	<p>Allotment with specified transfer restrictions: Three executive directors of the Company: 16,755 shares</p> <p>Third-party allotment: Three incumbent executive directors of the Company: 9,800 shares Two former executive directors of the Company: 2,300 shares The two former executive directors were incumbent between the 73rd and 74th Ordinary General Shareholders Meetings (June 22, 2019, to June 20, 2020) and left their office between the 74th Ordinary General Shareholders Meeting and July 1, 2020.</p>

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Initial use of fund at time of issuance	Allotment with specified transfer restrictions: The Company will receive no monetary asset, as the allottees will pay in kind. Third-party allotment: Some of the asset will be used as working capital.
Planned disbursement period upon issuance	From July 16, 2020
State of allocation as of today	The entire amount is allocated in accordance with the use of the proceeds.

2) Stock compensation with specified transfer restrictions, stock compensation by third-party allotment

Pay-in date	July 16, 2021
Total issue value	226,075,500 yen
Issue price	5,250 yen per share
Number of outstanding shares upon subscription	Common shares: 28,998,502 shares
Number of shares issued upon this subscription	Common shares: 43,062 shares
Total number of outstanding shares after the subscription	Common shares: 29,041,564 shares
Allottees	Allotment with specified transfer restrictions: Three incumbent executive directors of the Company: 15,862 shares Third-party allotment: Three incumbent executive directors of the Company: 27,200 shares
Initial use of fund at time of issuance	Allotment with specified transfer restrictions: The Company will receive no monetary asset, as the allottees will pay in kind. Third-party allotment: Some of the asset will be used as working capital.
Planned disbursement period upon issuance	From July 16, 2021
State of allocation as of today	The entire amount is allocated in accordance with the use of the proceeds.

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3) Stock compensation with specified transfer restrictions, stock compensation by third-party allotment

Pay-in date	July 15, 2022
Total issue value	297,188,819 yen
Issue price	2,903 yen per share
Number of outstanding shares upon subscription	Common shares: 58,083,128 shares
Number of shares issued upon this subscription	Common shares: 102,373 shares
Total number of outstanding shares after the subscription	Common shares: 58,185,501 shares
Allottees	Allotment with specified transfer restrictions: Four incumbent executive directors of the Company: 41,273 shares Third-party allotment: Three incumbent executive directors of the Company: 61,100 shares
Initial use of fund at time of issuance	Allotment with specified transfer restrictions: The Company will receive no monetary asset, as the allottees will pay in kind. Third-party allotment: Some of the asset will be used as working capital.
Planned disbursement period upon issuance	From July 15, 2022
State of allocation as of today	The entire amount is allocated in accordance with the use of the proceeds.

11. Issuance Schedule

June 27, 2023 (Tuesday): Issuance approved by Board of Directors

July 14, 2023 (Friday): Pay-in date (Scheduled)