

(This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.)



July 14, 2023

To whom it may concern:

Listed company name:	Pasona Group Inc.
Listing stock exchange:	Tokyo Stock Exchange Prime Market
Securities code number:	2168
Representative:	Yasuyuki Nambu, Group CEO and President
For further information contact:	Yuko Nakase, Senior Managing Executive Officer and CFO
Tel.	+81-3-6734-0200

## **Notice Concerning the Disposition of Treasury Shares by Third-party Allotment Associated with Additional Contribution to Board Benefit Trust (BBT) and the Employee Stock Ownership Plan (J-ESOP)**

Pasona Group Inc. (hereinafter “the Company”) hereby announces that its Board of Directors, at a meeting held today, resolved to dispose of treasury shares by third-party allotment (hereinafter referred to as the “Treasury Shares Disposition”), as follows.

### **1. Outline of Treasury Shares Disposition**

(1) Disposition date	Monday, July 31, 2023
(2) Class and number of shares to be disposed of	354,000 common shares
(3) Disposition price	1,688 yen per share
(4) Total amount of disposition	597,552,000 yen
(5) Planned underwriter of disposition	Custody Bank of Japan, Ltd. (Trust Account E)
(6) Other	The Treasury Shares Disposition is subject to the effectiveness of the securities notice in accordance with Japan's <i>Financial Instruments and Exchange Act</i> .

### **2. Purpose and Reason for the Treasury Share Disposition**

Based on the resolution of the Ordinary General Meeting of Shareholders held on August 19, 2015, the Company has introduced a “Board Benefit Trust (BBT)” (hereinafter referred to as the “BBT System,” with the trust established in accordance with the trust contract concluded with Mizuho Trust & Banking Co., Ltd. concerning the BBT System being referred to as the “BBT Trust”) (For an overview of the BBT System, please refer to “Notice Concerning the Introduction of Performance-Based Stock Compensation System” dated July 21, 2015 and “Notice Concerning the Introduction of Performance-Based Stock Compensation System (Determination of Details)” dated October 9, 2015.) (The Company has also re-established the remuneration limit for the BBT System, as the Company transitioned to a company with an Audit and Supervisory Committee at the Ordinary General Meeting of Shareholders held on August 18, 2017.)

In addition, based on the resolution of the Board of Directors meeting held on October 9, 2015, the Company has introduced a “Employee Stock Ownership Plan (J-ESOP)” (hereinafter referred to as the “J-ESOP System,” with the trust

established in accordance with the trust contract concluded with Mizuho Trust & Banking Co., Ltd. concerning the J-ESOP System being referred to as the “J-ESOP Trust”). (For an overview of the J-ESOP System, please refer to “Notice Concerning the Introduction of Stock Benefit Trust (J-ESOP)” and “Notice Concerning the Introduction of Performance-Linked Stock Compensation Plan (Determination of Details)” dated October 9, 2015.)

In order to continue the BBT System and the J-ESOP System (hereinafter collectively referred to as the “Systems”), the Company has decided to make additional monetary contributions to the BBT Trust and the J-ESOP Trust (hereinafter referred to as the “Additional Trust”) in order for the BBT Trust and the J-ESOP Trust to acquire shares as expected to be required for future benefits. The Company has decided to dispose of treasury shares to Trust Account E, which has been established respectively at the Custody Bank of Japan, Ltd. (i.e., the trustee of the BBT Trust and the J-ESOP Trust, which was re-trusted by Mizuho Trust & Banking Co., Ltd.), to hold and dispose of the Company's shares for the operation of the Systems.

The total number of shares to be disposed of is: (1) the number of shares equivalent to the number of shares that is expected to be granted to the Company's Directors (excluding Directors who are Audit and Supervisory Committee members, Outside Directors, and Non-Executive Directors) and titled Executive Officers (limited to those who were Directors immediately before the transition to a company with an Audit and Supervisory Committee) during the trust period in accordance with the “Regulations Concerning Directors' Share Benefits”; and (2) the number of shares equivalent to the number of shares that is expected to be granted to the Company's Executive Officers (excluding those who were Directors immediately prior to the transition to a company with an Audit and Supervisory Committee) and employees of the Company and to the Directors and employees of the Company's subsidiaries during the trust period in accordance with the “Share Benefit Regulations.” The ratio to the total number of outstanding shares of 41,690,300 as of May 31, 2023 is 0.85%, while the ratio to the total number of voting rights of 398,692 as of May 31, 2023 will be 0.89% (both rounded off to two decimal places).

#### Outline of Additional Trust for BBT Trust

Date of additional trust	July 31, 2023 (scheduled)
Additional trust amount	293,176,000 yen (planned) (see Note)
Type of shares to be acquired	Common stock of the Company
Number of shares to be acquired	177,000 shares
Date of share acquisition	July 31, 2023 (scheduled)
Method of share acquisition	Acquisition by subscription of the Company's treasury shares to be disposed of through the Treasury Shares Disposition

(Note) The BBT Trust will additionally acquire the Company's shares using the total amount of the additional trust amount (293,176,000 yen) and the money belonging to the trust assets (5,600,000 yen) as the source of funds.

#### Outline of Additional Trust for J-ESOP Trust

Date of additional trust	July 31, 2023 (scheduled)
Additional trust amount	286,776,000 yen (planned) (Note)
Type of shares to be acquired	Common stock of the Company
Number of shares to be acquired	177,000 shares
Date of share acquisition	July 31, 2023 (scheduled)
Method of share acquisition	Acquisition by subscription of the Company's treasury shares to be disposed of through the Treasury Shares Disposition

(Note) The J-ESOP Trust will additionally acquire the Company's shares using the total amount of the additional trust amount (286,776,000 yen) and the money belonging to the trust assets (12,000,000 yen) as the source of funds.

### 3. Grounds for calculation of the disposition price and specific details

The disposition price was determined to be the average closing price of the Company's common stock on the Tokyo Stock Exchange, Inc. for one month (from June 14, 2023 to July 13, 2023) up to the business day immediately preceding the date of the Board of Directors' resolution on the Treasury Shares Disposition, which was ¥1,688 (rounded down to the nearest yen).

The average closing price for the one-month period ending on the business day immediately prior to the date of the Board of Directors' resolution was used as the basis for the calculation because, rather than using a specific point in time as the basis, it was judged that using a leveled average share price over a certain period would eliminate special factors such as the effects of temporary share price fluctuations and would be more objective and reasonable as the basis for the calculation. In addition, we chose the most-recent one month as the calculation period because we judged that adopting a certain period of time closer to the date of the Board of Directors' resolution was a reasonable reflection of the value of our shares at this point in time, compared to the most-recent three months or six months. Furthermore, as stated in "Notice

Concerning the Disposition of Treasury Shares by Third Party Allotment" dated October 9, 2015, the Company has determined that, in principle, it is appropriate to use the calculation method for the disposition price when the Company disposed of treasury shares when it introduced the BBT System and the J-ESOP System.

The disposition price of ¥1,688 is the amount obtained by multiplying the closing price of ¥1,735 on the business day immediately preceding the date of the Board of Directors' resolution by 97.29% and the amount obtained by multiplying the average closing price of the Company's common stock of 1,769 yen (rounded down to the nearest yen) over the three-month period ending on the business day immediately preceding the date of the resolution of the Board of Directors by 95.42%. In addition, the amount was calculated by multiplying the average closing price of ¥1,852 (rounded down to the nearest yen) over the past six months by 91.14%. We believe that this is in compliance with the "Guidelines for Handling Third Party Allotment of New Shares" of the Japan Securities Dealers Association. Taking the above into consideration, the Company has determined that the disposition price for the Treasury Shares Disposition is not particularly favorable and is reasonable.

With regard to the above disposition price, the Audit Committee expressed its opinion that the disposition price does not constitute a particularly favorable disposition price because the basis for the calculation of such price is reasonable to be consistent with the terms and conditions of disposition set at the time of introduction and is in compliance with the "Guidelines for Handling Third Party Allotment of New Shares" of the Japan Securities Dealers Association. The Company has received a statement of opinion that the disposition price is not particularly favorable to the Company.

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

Since (1) the dilution ratio is less than 25% and (2) the Treasury Shares Disposition does not involve a change in controlling shareholder, the procedures for obtaining an opinion from an independent third party and confirming the intent of shareholders as stipulated in Article 432 of the *Securities Listing Regulations* established by the Tokyo Stock Exchange, Inc. are not required.

End