

## NEWS RELEASE

### Notice of Disposal of Treasury Shares to Grant Restricted Stock to Employees

At a meeting held today, the Board of Directors of ITO EN, LTD. (“the Company”), resolved to dispose of its treasury shares (hereinafter the “Disposal of Treasury Shares” or the “Disposal”) as follows.

#### 1. Summary of the Disposal

(1)	Disposal date	October 31, 2023
(2)	Class and number of shares to be disposed	48,200 shares of Class-A Preferred Stock of the Company
(3)	Disposal value	1,799 yen per share
(4)	Total disposal value	86,711,800 yen
(5)	Allottees and the number thereof and the number of shares to be disposed of	Employees of the Company (194 persons) 45,400 shares Employees of wholly owned subsidiaries (12 persons) 2,800 shares

#### 2. Purpose of and reason for the Disposal

At the meeting of the Board of Directors, held on May 30, 2023, the Company resolved to introduce a restricted stock ownership plan for some of its employees (“Eligible Employees”) through the use of the Company’s Class-A Preferred Stock for the purpose of providing incentives to continuously improve the corporate value of the Company and to further promote value-sharing with shareholders.

The summary of the Plan and other pertinent information is provided below.

[Summary and other information of the Plan]

The Eligible Employees shall pay all of the monetary claims received from the Company under the Plan as contributions in kind and shall receive the issuance or disposal of shares of Class-A Preferred Stock of the Company. The amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company’s Class-A Preferred Stock on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) or any other amount within the extent that the amount will not be particularly advantageous to Eligible Employees who subscribe the Company’s Class-A Preferred Stock.

In addition, upon the issuance or disposal of shares of Class-A Preferred Stock of the Company under the Plan, the Company shall enter into a restricted stock allotment agreement between the Company and the Eligible Employees, which shall include the following: (i) the Eligible Employees shall be prohibited from transferring, creating a security interest in, or otherwise disposing of the shares of Class-A Preferred Stock of the Company allotted under the restricted stock allotment agreement to any third party for a certain period; (ii) in the event that certain circumstances arise, the Company shall acquire said shares of Class-A Preferred Stock without consideration.

This time, after taking into consideration the purpose of the Plan, the business performance of the Company, the scope of responsibilities of each of the Eligible Employees, including some employees of the Company’s wholly owned subsidiaries, and various circumstances, and with the aim of further motivating each of the Eligible Employees, it was decided to provide total monetary claims of 86,711,800 yen in monetary claims (the “Monetary Claims”) and grant 48,200 shares of Class-A Preferred Stock of the Company.

For the Disposal of treasury shares, 206 Eligible Employees, which are the planned allottees, shall pay all of the Monetary Claims to be paid under the Plan as assets contributed in kind and receive the issuance of shares of Class-A Preferred Stock of the Company (the “Allotted Shares”). The summary of the agreement on allotment of

restricted stock to be concluded between the Company and Eligible Employees, for the Disposal of Treasury Shares (hereinafter referred to the “Allotment Agreement”) is as described in 3. below.

### 3. Summary of the Allotment Agreement

#### (1) Transfer period

The restriction period shall be the period from October 31, 2023 (the “Disposal Date”) to the time immediately following the retirement from any employee position at the Company or any of its subsidiaries, or after August 1, 2024.

#### (2) Lifting of transfer restrictions

From the beginning of the fiscal year in which the date of this Disposal falls to the last day of said fiscal year (the “Target Service Period”) the restriction on transfer of all of the Allotted Shares shall be lifted at the expiration of the Transfer Restricted Transfer Period on the condition that the Employee in any position at the Company or any of its subsidiaries has continuously held said position.

#### (3) Treatment in the event an Eligible Employee retires due to attainment of retirement age or other justifiable reasons during the Target Service Period.

##### (i) Timing of lifting transfer restrictions

In the event that an Eligible Employee retires from any employee position at the Company or any of its subsidiaries due to attainment of retirement age or any other justifiable reason (including retirement due to death), the Transfer Restrictions shall be lifted at the time immediately following said retirement or after August 1, 2024, whichever comes later.

##### (ii) Number of shares subject to lifting of transfer restrictions

Number of shares obtained by multiplying the number of Allotted Shares held at the time of said retirement as specified in (i) above, times the number of months from the beginning of the fiscal year that includes the date of Disposal to the date of retirement of the Eligible Employee, divided by the number of months pertaining to the Target Service Period (12) (if that number exceeds 1, 1 shall be used) (however, if the calculation results in a fraction of less than one share, it shall be rounded down).

#### (4) Acquisition by the Company without consideration

If an Eligible Employee commits an act in violation of laws and regulations during the Restricted Transfer Period or falls under any other specified reasons stipulated in the Allotment Agreement, the Company shall automatically acquire all the Allotted Shares held by the Eligible Employee at said time without consideration. In addition, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted at the time of expiration of the transfer restriction period or at the time of the lifting of the transfer restrictions as specified in (3) above.

#### (5) Treatment during reorganization, etc.

If, during the Restricted Transfer Period, matters relating to 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, or other reorganization, etc. are approved at the Company’s General Meeting of Shareholders (however, if approval by a General Meeting of Shareholders of the Company is not required with respect to such reorganization, etc., the Board of Directors of the Company), transfer restriction shall be lifted with respect to all of the Allotted Shares held at that time by a resolution of the Board of Directors as of the time immediately preceding the business day immediately preceding the effective date of the reorganization, etc. (“Reorganization, etc. Effective Date”). In addition, as of the business day immediately preceding the Reorganization, etc. Effective Date, the Company shall naturally acquire all of the Allotted Shares for which transfer restrictions have not been lifted without consideration.

Notwithstanding the provisions above, if the time immediately before the business day prior to the Reorganization, etc. Effective Date falls before August 1, 2024, the Company shall automatically acquire without contribution all the Allotted Shares on the business day immediately preceding the Reorganization, etc. Effective Date.

#### (6) Administration of shares

The Company shall have the Eligible Employees open dedicated accounts at Nomura Securities Co., Ltd. for the management of the Allotted Shares during the transfer restriction period, so the Eligible

Employees cannot transfer the shares, create security interests, or otherwise dispose of the shares during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the accounts of the Allotted Shares held by each of the Eligible Employees in order to ensure the effectiveness of the transfer restriction, etc. on the Allotted Shares. In addition, the Eligible Employees shall agree to the details of the management of such accounts.

4. Basis for calculation of the amount to be paid in and specific details thereof

The Company will conduct the Disposal of treasury shares to provide the contribution in kind for the monetary remuneration claims paid to the Eligible Employees, which are the planned allottees. The disposal price is set at 1,799 yen, which is the closing price of the Company's Class-A Preferred Stock on the Prime Market of the Tokyo Stock Exchange on July 25, 2023 (the business day immediately preceding the date of the Board of Directors' resolution), in order to eliminate arbitrariness. This is the market share price immediately prior to the date of the Board of Directors' resolution, and is considered to be reasonable and not a particularly favorable price.