



October 30, 2023

For Immediate Release

Company name: Okabe Co., Ltd.  
Representative: Hirohide Kawase, Representative Director,  
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(Securities Code: 5959, TSE Prime Market)  
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### **Notice on Disposal of Treasury Shares by Third-Party Allocation**

Okabe Co., Ltd. (the "Company") decided to continue the share-issuing ESOP trust (ESOP Trust), which was introduced in 2017, at a meeting of its Board of Directors held on February 10, 2023. At a meeting of the Board of Directors held on October 30, 2023, the Company resolved to dispose of its treasury shares through third-party allocation ("Disposal of Treasury Shares" or "Disposal") under Article 370 of the Companies Act and Article 26 (Omission of resolution) of the Company's articles of incorporation. Details are as follows.

#### 1. Disposal outline

(1) Date of disposal	November 16, 2023
(2) Type and number of shares for disposal	110,700 common shares
(3) Disposal price	750 yen per share
(4) Total amount of disposal price	83,025,000 yen
(5) Allottee	The Master Trust Bank of Japan, Ltd. (share issuing ESOP Trustee)
(6) Other	The Disposal of Treasury Shares is subject to the securities registration statement as per the Financial Instruments and Exchange Act.

#### 2. Purpose of and reason for disposal

At the Board of Directors' meeting held on February 10, 2023, the Company resolved to continue the share-issuing ESOP trust (ESOP Trust), an employee incentive plan designed for the medium to long-term enhancement of corporate value by raising awareness of contribution to the medium to long-term operating performance improvement and the Company's share price appreciation with a strong sense of identification among employees of the Company and its Group companies (Employees) as well as their participation in the management of the Company, while seeking to reciprocate the Employees with an enhanced benefits system. For details of the ESOP Trust, refer to the Notice on Introduction of ESOP Trust for Granting Stock announced on February 14, 2017, and the Notice of Extension of Share-Issuing ESOP Trust announced on February 10, 2023.

This Disposal of Treasury Shares by third-party allocation along with the continuation of the ESOP Trust is made to the Master Trust Bank of Japan, Ltd. (share-issuing ESOP Trustee), which is the joint trustee of the share-issuing ESOP trust agreement that the Company entered into with Mitsubishi UFJ Trust and Banking Corporation.

The number of shares to be disposed of represents the number of shares expected to be provided to the Employees during the trust period after an extension based on the Share Issuance Regulations, and the scale of dilution will be 0.22% of 49,290,632 shares, the total number of shares outstanding as of June 30, 2023 (rounded to the second decimal place, 0.24%, the ratio to the total voting rights of 463,105 as of June 30, 2023).

The Company's shares allocated through the Disposal of Treasury Shares will be granted to the Employees in accordance with the Share Issuance Regulations, and it is not expected that the shares resulting from the Disposal of Treasury Shares will flow into the stock market at once. Therefore, the Company believes that the impact on the secondary market will be insignificant and the number of shares to be disposed of and the scale of dilution will be reasonable.

#### Outline of the trust agreement

Type of trust	Money held in trust outside the money trust of a specific single investment (third-party benefit trust)
Purpose of trust	To enhance employee benefit plans and provide incentives to employees
Trustor	The Company
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trusteeship: The Master Trust Bank of Japan, Ltd.)
Beneficiary	Those employees meeting the beneficiary requirements
Trust administrator	Professional practitioners and third parties with no conflicts of interest with the Company
Date of trust agreement	March 1, 2017
Trust period	March 1, 2017 to March 31, 2026
Commencement date of the plan	April 1, 2017
Exercise of voting rights	The trustee will exercise the voting rights reflective of the representative of eligible employees, directed by the trust administrator

### 3. Basis for calculation of disposal price and specific details thereof

The disposal price of 750 yen was determined based on the average closing price (rounded down to the nearest yen) of Company's stock on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") during the six months leading up to the trading day immediately preceding the date of the Board resolution related to the Disposal (from April 28 to October 27, 2023), taking the recent price trend into consideration to eliminate arbitrariness. The Company has adopted the average closing price for the Company's shares on the TSE over the last six months prior to the date of the resolution by the Board of Directors, because the Company considers that the average closing price for a certain preceding period is the most realistic indicator of the prevailing market price and is highly objective and reasonable as the basis for calculation. Moreover, the price represents a premium of 4.02% to the closing price of 721 yen of the Company's stock for the trading day (October 27, 2023) immediately preceding the board resolution date, a premium of 3.16% to the average closing price of 727 yen (rounded to the nearest yen) for the one-month period (from September 28, 2023 to October 27, 2023) immediately preceding the board resolution date, and a premium of 2.32% to the average closing price of 733 yen (rounded to the nearest yen) for the three-month period (from July 28, 2023 to October 27, 2023) immediately preceding the board resolution date on the Tokyo Stock Exchange, and the disposal price has been determined as not falling under favorable discounted pricing.

With respect to the above-mentioned disposal price, the Company's Audit & Supervisory Committee has expressed their opinions that the price was not particularly advantageous for the Company and is lawful based on the reasoning that the calculation basis of the above disposal price is reasonable.

#### 4. Procedures within the Code of Corporate Conduct

As this matter will have a dilutive effect of less than 25% on shares and does not involve a change in the controlling shareholder, procedures for the receipt of the opinion of an entity who has a specific degree of dependence from management and confirmation of the intent of shareholders regarding third-party allotment, as provided by Rule 432 of the TSE's Securities Listing Regulations, are unnecessary.