



January 12, 2024

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(Code number: 3046, TSE Prime Market)  
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Notice Concerning Introduction of Employee Stock Ownership Plan (J-ESOP) and Disposal of Treasury Shares through Third-Party Allotment

JINS HOLDINGS Inc. (the “Company”) announces that at the meeting of the Board of Directors of the Company held today, the Company resolved to introduce an Employee Stock Ownership Plan (J-ESOP) (the “Plan;” and the trust to be established under a trust agreement to be concluded with Mizuho Trust & Banking Co., Ltd. regarding the Plan is the “Trust”), an incentive plan to grant shares of the Company to employees of the Company and its subsidiaries (the “Employees”), to further boost the linkage between the Company’s stock price or business performance and the benefit received by the Employees, share economic effects with shareholders, and thereby enhance the Employees’ motivation and morale for increasing the Company’s stock price and business performance.

In connection with the introduction of the Plan, the Company also resolved to dispose of treasury shares through a third party allotment (the “Disposal of Treasury Shares”).

<Introduction of the Plan>

1. Background of the introduction

To systematically adapt to changes in the market environment and ensure global growth, the Company group has defined its brand vision as “Magnify Life,” aiming to enrich people’s lifestyles. We share “Magnify Life” internally and with our customers, and deliver customer experiences based on “Magnify Life,” striving to permeate the brand vision and achieve sustained growth.

In pursuit of realizing the Company group’s brand vision, “Magnify Life,” we explored various incentive plans, considering the perspective of encouraging the Employees to challenge themselves at a high level and rewarding their achievements. In light of this, we decided to introduce the Plan, with the purpose of granting shares of the Company to the Employees and reflecting stock price fluctuations as part of their benefit.

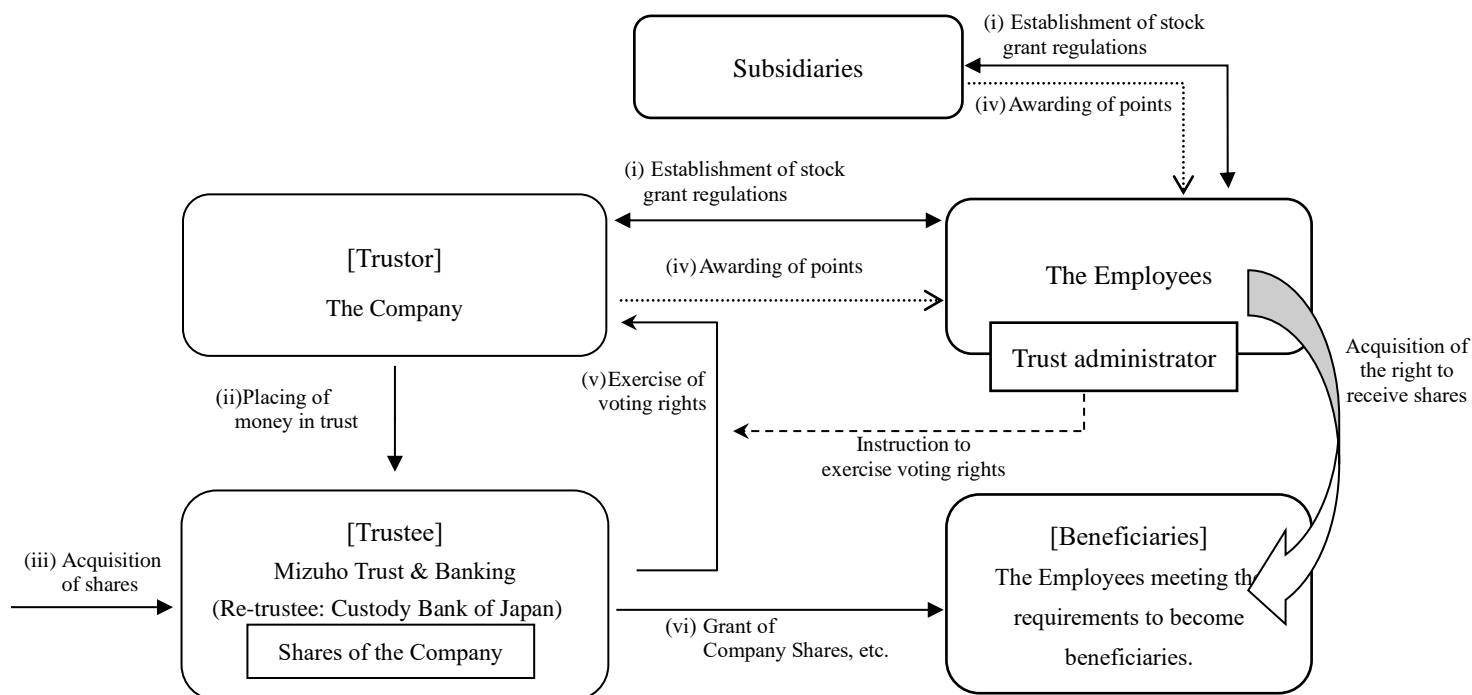
2. Overview of the Plan

The Plan is a trust-based scheme modeled after the Employee Stock Ownership Plan (ESOP) in the United States. It operates by granting shares of the Company or a cash equivalent calculated at the market value of the shares (the “Company Shares, etc.”) to the eligible Employees who meet certain requirements, in accordance with the stock grant regulations established in advance by the Company and its subsidiaries.

The Company and its subsidiaries award points to the Employees based on the Company’s business performance, etc. and grant Company Shares, etc. equivalent to the awarded points when the Employees obtain the right to receive them by meeting certain conditions. The shares to be granted to the Employees, including future allocations, will be acquired with money previously placed in trust and managed separately as trust assets.

The introduction of the Plan is expected to increase the Employees’ interest in the Company’s stock price and business performance improvement, contributing to a more motivated engagement in their duties than ever before.

[Schematic Diagram of the Plan]



- (i) The Company and its subsidiaries will establish stock grant regulations when the Plan is introduced.
- (ii) In accordance with the stock grant regulations, the Company will place money in trust (third-party-benefit trust) with Mizuho Trust & Banking (re-trustee: Custody Bank of Japan) for acquisition of shares to be granted to the Employees.
- (iii) The Trust will acquire shares of the Company using the money placed in trust in (ii) as funds, either through the stock market or by accepting the Company’s disposal of treasury shares.
- (iv) The Company and its subsidiaries will award points to the Employees in accordance with the stock grant regulations.
- (v) The Trust will exercise voting rights based on instructions from the trust administrator.
- (vi) The Trust will grant the Employees who meet the requirements for becoming a beneficiary (the “Beneficiaries”), as specified in the stock grant regulations, Company Shares, etc. according to the number of points awarded to the Beneficiaries.

### 3. Outline of the Trust

- (1) Name: Employee Stock Ownership Plan (J-ESOP)
- (2) Trustor: The Company
- (3) Trustee: Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries: The Employees who meet the requirements for becoming a beneficiary as specified in the stock grant regulations
- (5) Trust administrator: Appointment from the Employees of the Company
- (6) Type of trust: Monetary trust other than money trust (third-party-benefit trust)
- (7) Purpose of trust: To grant the Beneficiaries Company Shares, etc. that are trust assets in accordance with the stock grant regulations
- (8) Date of conclusion of the trust agreement: January 29, 2024
- (9) Date on which money is placed in trust: January 29, 2024
- (10) Trust period: From January 29, 2024 to the termination of the Trust  
(The Trust will continue as long as the Plan is in place, without specifying a particular termination date.)

<Disposal of Treasury Shares>

4. Outline of the disposal

(1) Date	Monday, January 29, 2024
(2) Type and number of shares	300,000 shares of common stock
(3) Price	4,610 yen per share
(4) Total amount	1,383,000,000 yen
(5) Scheduled recipient	Custody Bank of Japan, Ltd. (Trust Account E)
(6) Other	The Disposal of Treasury Shares is subject to the effectiveness of the securities registration statement under the Financial Instruments and Exchange Act.

5. Purposes of and reasons for the disposal

The Disposal of Treasury Shares will be carried out for the purposes of holding and disposing of shares of the Company in the operation of the Plan. This involves the allocation of treasury shares to Trust Account E established with Custody Bank of Japan, Ltd., which is the re-trustee entrusted by Mizuho Trust & Banking Co., Ltd., the trustee of the Trust, through a third party allotment.

The number of shares to be disposed of is equivalent to the number of shares expected to be granted to the Employees during the trust period in accordance with the stock grant regulations (for the ten fiscal years from the fiscal year ending August 31, 2024 to the fiscal year ending August 31, 2033). This is equivalent to 1.25% of 23,980,000 shares, the total number of issued shares as of August 31, 2023 (or 1.29% of 233,278 rights, the number of voting rights as of August 31, 2023; both percentages are rounded to the nearest second decimal place).

6. Basis for calculating the disposal price and details thereof

The disposal price has been set at 4,610 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution on the Disposal of Treasury Shares.

It is considered reasonable to use the closing price on the business day immediately preceding the date of the Board of Directors' resolution as the basis for the calculation, as such closing price represents the fair corporate value of the Company in the stock market.

The disposal price of 4,610 yen is equivalent to the amount calculated by multiplying 99.61% by the average closing price of 4,628 yen (rounded down to the nearest yen) for the last one month prior to the business day immediately prior to the date of the Board of Directors' resolution, or the amount calculated by multiplying 104.70% by the average closing price of 4,403 yen (rounded down to the nearest yen) for the last three months prior to such business day, or the amount calculated by multiplying 118.27% by the average closing price of 3,898 yen (rounded down to the nearest yen) for the last six months prior to the same day. Taking the above considerations into account, the disposal price for the Disposal of Treasury Shares is considered reasonable, without being particularly advantageous.

Furthermore, the three Auditors who attended the meeting of the Board of Directors (including three Outside Auditors) expressed the opinion that it is reasonable that the Company determined that the disposal price, considering factors such as being based on the closing price on the business day immediately preceding the date of the Board of Directors' resolution, does not constitute a particularly advantageous disposal price, and that the Company's determination is legitimate.

7. Matters concerning procedures under the code of corporate conduct

Regarding the Disposal of Treasury Shares, as it (i) results in a dilution ratio of less than 25% and (ii) does not involve a change in a controlling shareholder, there is no need to take procedures for receiving an opinion from an independent third party or confirming the intent of shareholders as prescribed in Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.