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March 22, 2024

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Representative: Kei Takeuchi  
Representative Director, Chief Executive Officer  
Securities code: 1878  
Listed in Prime Market of Tokyo security exchange  
and Premier Market of Nagoya security exchange  
(ADR Level I, OTC: DIFTY)  
Address: 2-16-1, Konan, Minato-ku, Tokyo

**Notice Regarding Disposal of Treasury Stock through Third-party Allotment  
to Employee Shareholding Association Using Restricted Stock**

DAITO TRUST CONSTRUCTION CO., LTD. (the “Company”) hereby announces that, at the Board of Directors’ meeting held today, the Company has resolved to implement a Restricted Stock Incentive Plan (hereinafter, the “Plan”) for the Daito Trust Construction Employees' Shareholding Associations (hereinafter, the ESA”) and to dispose of treasury stock as restricted stock (hereinafter, “Disposal of Treasury Stock” or “Disposal”) as follows by designating the ESA as the scheduled allottee.

1. Outline of the Disposal

(1)	Date of disposal	September 20, 2024
(2)	Class and number of shares to be disposed of	386,660 shares of common stock of the Company(Note)
(3)	Disposal price	17,675 yen per share
(4)	Disposal value	6,834,215,500 yen (Note)
(5)	Method of disposal (Scheduled allottee)	The number of applied shares within the range of the number of shares to be disposed of as stated in (2) above will be allotted to the ESA on the condition that an application for underwriting is made by the ESA using the method of third-party allotment. (The ESA: 386,660 shares) Note that The Company will not accept any application from The Company’s employees for subscribing for only a part of the shares to be granted.
(6)	Other	The Disposal of Treasury Stock is conditional upon the taking effect of the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act

(Note) The maximum number of employees eligible for the Plan is 16,660 employees of the Company and its subsidiaries.

The "number of shares to be disposed of" and the "Disposal Value" are calculated assuming that the Company's

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common stock will be granted to them as restricted stock. The actual number of shares to be disposed of and the total amount to be disposed of will be determined by the number of shares to be disposed of and the total amount to be disposed of by eligible employees (hereinafter "Eligible Employees") after the membership promotion for non-members of the ESA and the confirmation of consent for the Plan from members of the ESA and the number of shares granted per employee, which is determined by the company's employee class.

(Grade 1: Maximum [30] people (56 shares per person), Grade 2: Maximum [30] people (46 shares per person), Grade 3: Maximum [300] people (38 shares per person), 4: Maximum of [2,800] people (30 shares per person), Grade 5: Maximum of [12,700] people (22 shares per person), Grade 6: Maximum of [800] people (11 shares per person)

Specifically, as stated in (5) above, the number of subscribed shares determined by the ESA is the "number of shares to be disposed of," and the amount obtained by multiplying that number by the disposal price per share is the "Disposal Value".

## 2. Purposes and Reasons for the Disposal

At the Board of Directors meeting held today, the Company resolved that, among the employees of the Company and its subsidiaries who are members of the ESA, the Company will take a measure through the ESA to enhance the welfare of the Eligible Employees. By creating an opportunity to acquire the Company's common stock to be issued or disposed of as restricted stock, we will not only help Eligible Employees build their wealth, but also help promote sustainable improvement of corporate value. We believe that by providing incentives under this measure, we will be able to further promote value sharing between Eligible Employees and our shareholders.

The outline of the Plan is as follows.

### [Outline of the Plan]

In the Plan, the Company will pay monetary claims as a special incentive for granting restricted stock (hereinafter the "Special Incentive") to the Eligible Employees, and the Eligible Employees will contribute their Special Incentive to the ESA. Subsequently, the ESA can receive the issuance or disposal of the Company's common stock as the restricted stock through the ESA contribution in-kind, to the Company, the Special Incentive contributed by the Eligible Employees.

The amount per share to be paid for the Company's common stock in cases where such common stock is to be newly issued or disposed of based on the Plan shall be determined by the Board of Directors to the extent that it is not particularly advantageous to the ESA (and by extension to the Eligible Employees) based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

In issuing or disposing of the Company's common stock based on the Plan, the Company and the ESA will execute a restricted stock allotment agreement, the outline of which includes (1) the ESA are prohibited from transferring, creating any security interest on, or otherwise disposing of the allotted share to a third party during a certain restriction period

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(hereinafter the “Restriction”), and (2) the Company shall make acquisition of the allotted share without payment of any contribution if certain events occur. Furthermore, the Special Incentive will be paid to the Eligible Employees on the condition that the restricted stock allotment agreement is executed between the Company and the ESA.

Moreover, concerning one’s member equity interest pertaining to the restricted stock acquired by the ESA through issuance or disposal (hereinafter, the “Restricted Stock Equity Interest” or “RS Equity Interest”), the Eligible Employees shall be restricted from withdrawing the restricted stock corresponding to the Restricted Stock Equity Interest until the Transfer Restrictions of such restricted stock are lifted based on the ESA Rules, the ESA Detailed Operation Rules and other rules of the ESA(hereinafter, the “ESA Rules, etc.”).

(Note) At the Board of Directors meeting of the ESA, which will be held immediately after the resolution of the Board of Directors held today, it is planned that, prior to receiving the Disposal, a resolution will be passed to revise the ESA Rules, etc. in accordance with the Plan. The revision shall be made after two weeks have elapsed since notification was sent to the members of the ESA based on the ESA Rules, etc. after the resolution of the Board of Directors, and if the number of members of the ESA has not been raised by the members of the ESA. It is scheduled to become effective if the number of cases is less than one-third.

In the Disposal of Treasury Stock, the Company’s common stock (hereinafter the “Allotted Shares”) will be disposed to the ESA as a result of the ESA as the scheduled allottee contributing all of the Special Incentive contributed from the Eligible Employees as contribution in-kind to the Company based on the Plan. In the Disposal of Treasury Stock, the outline of the restricted stock allotment agreement to be executed between the Company and the ESA (hereinafter the “Allotment Agreement”) is as described in “3. Outline of Allotment Agreement” below. While the number of shares to be disposed in the Disposal of Treasury Stock is expected to become fixed in due course as indicated in (Note) of 1. above, If all 16,660 Eligible Employees of the Company and its subsidiaries, which is the maximum number of people, join the ESA and agree to this plan, 386,660 shares are scheduled to be disposed. Note that the scale of dilution based on the Treasury Stock Disposal is, when based on the foregoing maximum amount, 0.56% (rounded off to two decimal places; hereinafter the same in the calculation of percentages) against 68,918,979 shares as the total number of issued shares as of September 30, 2023, and is 0.56% against the total number of voting rights that include 685,816 voting rights as the total number of voting rights as of September 30, 2023.

The introduction of the Plan is a measure to enhance the welfare of Eligible Employees by creating an opportunity for Eligible Employees to acquire the Company's common stock issued or disposed of by the Company through the ESA as restricted stock. In addition to assisting in wealth building, the purpose of this program is to provide Eligible Employees with incentives to continuously improve the Company's corporate value, and to encourage Eligible Employees to further share value with the Company's shareholders. We believe that this will contribute to increasing the Company's corporate value, and that the number of shares to be disposed of and the scale of stock dilution in this Disposal of Treasury Stock are reasonable, and even taking into account the scale of dilution. We judge that the impact on the market will be minor.

Please note that this Disposal of Treasury Stock will take effect from the ESA Rules, etc., which have been revised by

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the day before the Disposal date related to the Disposal of Treasury Stock, and that the Allotment Agreement between the Company and the ESA will be concluded during the application period. It will be implemented on the condition that the agreement is concluded.

### 3. Outline of Allotment Agreement

#### (1) Transfer restriction period

From September 20, 2024 to May 31, 2027

#### (2) Condition for lifting of Transfer Restrictions

On the condition that an Eligible Employee had been a member of the ESA on a continuing basis during the transfer restriction period, the Transfer Restrictions shall be lifted as of the expiration of the transfer restriction period for all of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by the Eligible Employee who satisfied such condition.

#### (3) Treatment upon terminating membership of the ESA

If the Eligible Employee withdraws from the ESA due to retirement or other legitimate reasons during the transfer restriction period (means the case where the employee loses membership status or applies for withdrawal, and also includes withdrawal due to death.), the Company shall set the date on which the ESA receives the application for withdrawal from the Eligible employee (in the case of loss of membership qualification, the date of loss of said qualification (in the case of withdrawal due to death, the date of death)), transfer restrictions will be lifted for all of the Allotted Shares in the number corresponding to the Restricted Stock Interest held by the Eligible Employee on the date of receipt of the withdrawal application.

#### (4) Treatment if employee becomes non-resident

In the event of an internal decision, including overseas assignment, that causes an Eligible Employee to be deemed a non-resident during the transfer restriction period, the Company will lift Transfer Restrictions on all Allotted Shares in a number corresponding to the Restricted Stock Equity Interest held by the Eligible Employee as of the date that the overseas assignment was decided on.

#### (5) Acquisition without contribution by the Company

If Eligible Employee commits a violation of laws and regulations during the transfer restriction period, or falls under any of the other certain circumstances specified in this allocation agreement, the Company will naturally acquire from the Eligible Employee all of the allocated shares free of charge held at that time. In Addition, the Company will automatically acquire through acquisition without contribution the Allotted Shares for which the Restriction is not lifted as of the expiration of the Restriction period or as of the lifting of the Restriction prescribed in (3) or (4) above.

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(6) Management of shares

During the Restriction period, the Allotted Shares shall be managed in a dedicated account opened by the ESA at Nomura Securities Co., Ltd. in order to ensure that the ESA neither transfers, creates any security interest on, nor otherwise disposes of the Allotted Shares during that period. Furthermore, the ESA shall register and manage, pursuant to the provisions of the ESA Rules, etc., the Restricted Stock Equity Interest to be held by the Eligible Employee in relation to the Allotted Shares separately from the Ordinary Equity Interest held by the Eligible Employees in relation to the share acquired by the ESA not based on the Plan.

(7) Treatment upon reorganization, etc.

In cases where, during the Restriction period, a general meeting of shareholders of the Company (however, in cases where the reorganization, etc., in question does not require approval from a general meeting of shareholders of the Company, the Board of Directors of the Company) approves a merger agreement wherein the Company becomes the extinct company, or a share exchange agreement or a share transfer plan wherein the Company becomes a wholly-owned subsidiary, or other matters regarding reorganization, etc., based on the resolution of the Board of Directors, the Restriction may be lifted for the total number of the Allotted Shares according to the Restricted Stock Equity Interest held by the Eligible Employees among the Allotted Shares held by the ESA on the date of the approval in question immediately before the business day preceding the effective date of the reorganization, etc.

4. Basis of Calculation and Specific Details of the Disposal Price

The Disposal of Treasury Stock to the ESA as the scheduled allottee is conducted by the Eligible Employees contributing the Special Incentive to the ESA for the granting of restricted stock as property contributed in-kind. To eliminate any arbitrariness in the disposal price, the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on March 21, 2024 (the business day prior to the day of the resolution of the Board of Directors) of 17,675 yen is used as the disposal price. As this is the market price immediately prior to the day of the resolution of the Board of Directors, the Company believes that it is rational and not particularly an advantageous price.

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Note that the deviation rate (rounded off to two decimal places) of this price from the average closing price of the Company shares on the Prime Market of the Tokyo Stock Exchange is as follows.

Period	Average closing price (any amount less than 1 yen is rounded off)	Deviation rate
1 month (February 22, 2024 to March 21, 2024)	17,522 yen	0.87%
3 months (December 22, 2023 to March 21, 2024)	16,893 yen	4.63%
6 months (September 22, 2023 to March 21, 2024)	16,411 yen	7.70%

The Company's Audit and Supervisory Committee (consisting of 4 members, including 3 outside directors) have expressed their opinion that the Company's process of determining that the foregoing disposal price is not particularly advantageous to the ESA as the allottee is reasonable, and that such determination is legitimate, in considering that the Disposal price is the closing price of the Company's common stock on the prime market of the Tokyo Stock Exchange on the business day before the date of the resolution of the Board of Directors.

#### 5. Matters related to procedures under the Code of Corporate Conduct

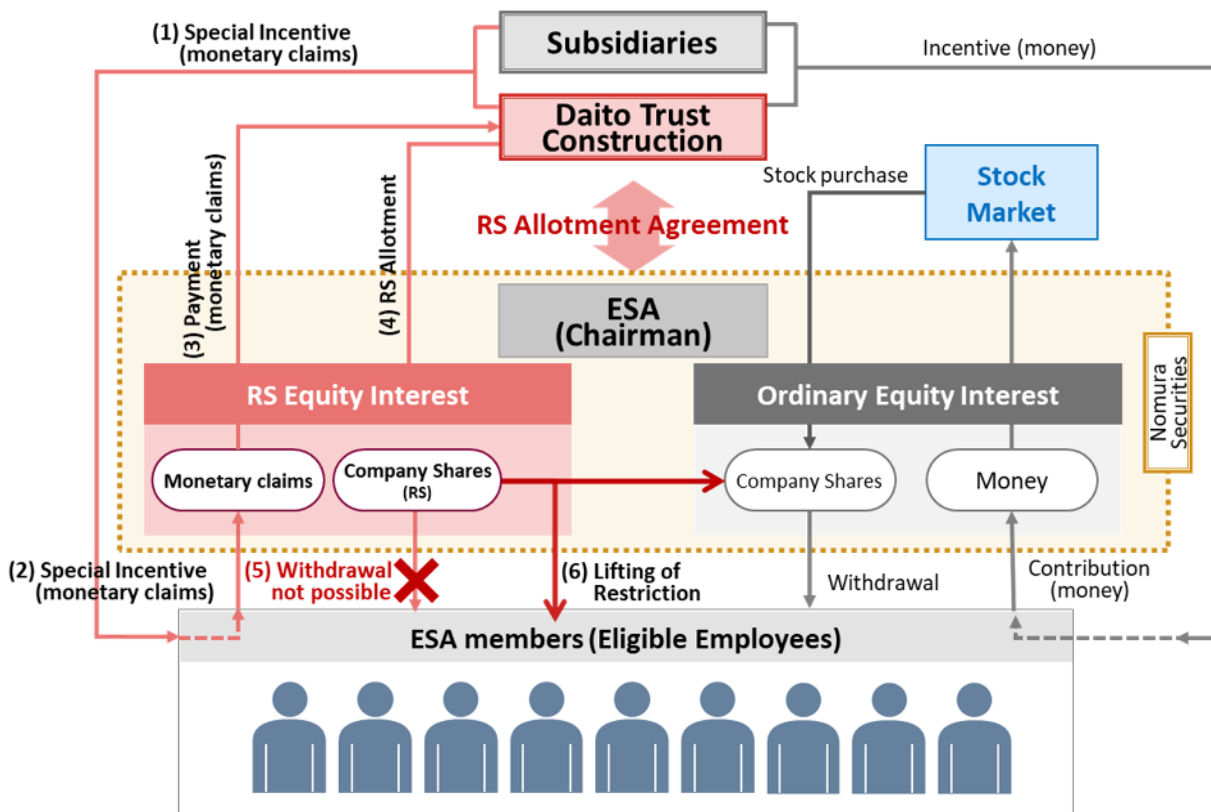
With regard to the Disposal of Treasury Stock, since (1) the dilution rate is less than 25% and (2) it does not involve the change of the controlling shareholder, there is no need to take procedures for acquiring the opinion of an independent third party and confirming the intention of shareholders as set forth in Article 432 of the listing regulations prescribed by the Tokyo Stock Exchange.

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(Reference)

[Structure of the Plan]

- (1) The Company and its subsidiaries grant monetary claims as Special Incentive to the Eligible Employees who agreed to the Plan
- (2) The Eligible Employees who agreed to the Plan contribute the monetary claims of (1) above to the ESA.
- (3) The ESA contributes the monetary claims contributed in (2) above to The Company.
- (4) The Company allots Allotted Shares to the ESA.
- (5) The Allotted Shares are deposited in the ESA's RS Equity Interest account through Nomura Securities Co., Ltd., and the withdrawal thereof are restricted during the Restriction period.
- (6) After lifting of the Restriction, Eligible Employees may withdraw the Allotted Shares in the same manner as the ESA's Ordinary Equity Interest account.



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