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To whom it may concern,

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### **Japan Lifeline Announces Disposal of Treasury Stock as Restricted Stock Incentive Plan for Employee Shareholding Association**

Japan Lifeline Co., Ltd. (“the Company”) announced that at the Board of Directors meeting held today, it has resolved to introduce a Restricted Stock Incentive Plan (“the Plan”) for Japan Lifeline Employee Shareholding Association (“the ESA”) and dispose of treasury stock as restricted stock (“the Disposal of Treasury Stock” or “the Disposal”) to the ESA as the scheduled allottee, in accordance with the Plan.

#### 1. Summary of the Disposal

(1) Disposal date	July 26, 2024
(2) Class and number of shares to be disposed of	156,995 shares of common stock of the Company (Note)
(3) Disposal price	1,165 yen per share
(4) Total amount disposed	182,899,175 yen (Note)
(5) Disposal method (Scheduled allottee)	By way of third party allotment, on the condition that applications for the ESA to be the recipient made, the number of shares allotted to the ESA will be within the number of shares to be disposed of in (2) above, which is the number of shares the ESA designated as available for application (the number of allotted shares and the number of shares to be disposed of are the same.). (The ESA 156,995 shares)
(6) Other	With respect to the Disposal of Treasury Stock, the Company has filed an Extraordinary Report in accordance with the Financial Instruments and Exchange Act.

(Note) The figures for the “number of shares to be disposed of” and the “total amount of shares to be disposed of” represent the maximum amount as calculated based on the assumption that the shares will be granted as restricted stock to 987 employees of the Company. The actual “number of shares to be disposed of” and the “total amount disposed” will be determined by promotional activities to increase the number of the ESA members and by the number of employees of the Company who agree to the Plan after confirmation of agreement (“the Eligible Employee”) (a maximum of 987 employees) and the number of shares granted per employee as determined by the Company based on the employee's grade. (Pattern A: Maximum 8 employees and 343 shares, Pattern B: Maximum 8 employees and 257 shares, Pattern C: Maximum 209 employees and 214 shares, Pattern D: Maximum 387 employees and 171 shares, Pattern E: Maximum 219

employees and 128 shares, Pattern F: Maximum 156 employees and 85 shares) Specifically, as described in (5) above, the number of shares to be applied for as established by the ESA will be the “number of shares to be disposed of”, and the amount obtained by multiplying such number by the disposal price per share will be the “total amount disposed”.

## 2. Purpose and Reason for the Disposal

At the Board of Directors held today, the Company resolved to introduce the Plan as a measure to promote the welfare of the Eligible Employees, with the aim of providing an opportunity to acquire shares of the Company's common stock issued or disposed of by the Company as restricted stock, thereby contributing to the formation of assets of the Eligible Employees and providing incentives to continuously improve the corporate value of the Company, as well as to further promote value sharing between the Eligible Employees and the Company's shareholders.

The outline of the Plan is as follows.

### [Outline of the Plan]

Under the Plan, the Company will grant monetary claims to the Eligible Employees as a special incentive to be granted as restricted stock (“the Special Incentive”), and the Eligible Employees will contribute the Special Incentive to the ESA.

The ESA will then contribute the Special Incentive contributed by the Eligible Employee to the Company in-kind, and the ESA will receive the issuance or disposal as restricted stock the Company's common stock.

In the event that shares of the Company's common stock are newly issued or disposed of under the Plan, the amount to be paid per share of such common stock shall be determined by the Board of Directors 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 each Board resolution regarding such issuance or disposal (or the closing price of the immediately preceding trading day if no trading was effected on that date), to the extent that such amount is not particularly favorable to the ESA (and thus the Eligible Employees).

In issuing or disposing of shares of the Company's common stock under the Plan, the Company and the ESA will enter into a Restricted Stock Allotment Agreement that includes the followings: (i) a prohibition on the transfer, creation of security interest or other disposition of the allotted shares to a third party for a certain period (“the Transfer Restriction”); and (ii) the Company's free acquisition of the allotted shares in the event of certain events. The payment of the Special Incentive to the Eligible Employees will be made on the condition that the Restricted Stock Allotment Agreement is executed between the Company and the ESA.

Until the Transfer Restriction is lifted, the Eligible Employees will be restricted from withdrawing their member's equity interests in the allotted stock (defined below), which will be held by the Eligible Employees in proportion to their monetary claims contributed to the ESA (“the Restricted Stock Equity Interest”), in accordance with the ESA Rules and the ESA Operating Bylaws, etc. (“the ESA Rules, etc.”) (Note).

(Note) The administrative board of the ESA, at a meeting to be held promptly after the resolution of the Board of Directors regarding the Disposal of Treasury Stock, plans to pass a resolution to revise the ESA Rules, etc. to accommodate the Plan prior to receiving the Disposal of Treasury Stock. Such amendment to the ESA Rules, etc. will take effect later when two weeks have elapsed after the notice is issued to the members of the ESA based on the said the administrative board's resolution, and when the number of objections from the ESA's members is less than one-third of the total number of members of the ESA.

In the Disposal of Treasury Stock, the Company will dispose of the Company's common stock to the ESA, the scheduled allottee, by paying all the Special Incentive contributed by the Eligible Employees as assets contributed in-kind in accordance with the Plan. An outline of the Restricted Stock Allotment Agreement (“the Allotment Agreement”) to be executed between the Company and the ESA in connection with the Disposal of Treasury Stock

is described in “3. Outline of Allotment Agreement” below. The number of shares to be disposed of under the Disposal of Treasury Stock will be determined later as described in (Note) of 1 above but is expected to be 156,995 shares if all 987 employees of the Company, the maximum number of persons to whom the Plan may apply, join the ESA and agree to the plan. Assuming the number of shares to be disposed of, the dilutive effect of the Disposal of Treasury Stock is 0.21% (rounded to two decimal places; The same applies hereinafter in the calculation of the percentage.) of the 75,758,470 shares outstanding as of March 31, 2024, and 0.21% of the 750,776 total number of voting rights as of March 31, 2024.

The introduction of the Plan, as a measure to promote the welfare of the Eligible Employees, will contribute to the asset building of the Eligible Employees by providing them with opportunities to acquire shares of the Company’s common stock issued or disposed of by the Company through the ESA as restricted stock, and will also provide incentives for the continuous improvement of the Company's corporate value, and will contribute to further value sharing between the Eligible employees and the Company's shareholders. The Company believes that the number of shares to be disposed of and the size of the dilution of the shares are reasonable and, based on the size of the dilution, the impact on the market is expected to be minimal.

The Disposal of Treasury Stock is subject to the ESA Rules, etc., as amended becoming effective by the day before the Disposal Date, and the Allotment Agreement being executed between the Company and the ESA during the application period.

### 3. Outline of Allotment Agreement

#### (1) Transfer restriction period

From July 26, 2024 to June 25, 2027

#### (2) Conditions for lifting of transfer restrictions

Subject to the condition that the Eligible Employee has been a member of the ESA continuously during the transfer restriction period, the Transfer Restriction shall be lifted upon expiration of the transfer restriction period with respect to all of the allotted shares in the number corresponding to the Restricted Stock Equity Interest held by the Eligible Employee who has fulfilled such condition.

#### (3) Treatment of withdrawal from the ESA

In the event that an Eligible Employee resigns from the ESA (This means the case where a member loses membership or applies for withdrawal from the ESA, including withdrawal due to death.) during the transfer restriction period due to his/her appointment as a director (except in cases where the employee does not lose membership in the ESA), mandatory retirement, transfer to a group company (excluding group companies to which ESA Rules apply), resignation for company reasons, or any other justifiable reason, the Company shall lift the Transfer Restrictions on the day the ESA receives the Eligible Employee's application for withdrawal from the ESA (In the case of loss of membership, the date of such loss (or the date of death in the case of withdrawal due to death), and hereinafter referred to as “the date of receipt of the withdrawal application”) for the Restricted Stock Equity Interests held by the Eligible Employee as follows. The Transfer Restriction shall be lifted as of the date of receipt of the withdrawal application with respect to the number obtained by multiplying the number of the allotted shares in proportion to the Restricted Stock Equity Interests held by such Eligible Employee by the number obtained by dividing the number of months from the month following the month containing the disposal date to the month containing the date of receipt of the withdrawal application by the number of months pertaining to the transfer restriction period (35) (any fraction of less than one share shall be rounded down).

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

In the event that an Eligible Employee resigns from the ESA during the transfer restriction period due to

his/her appointment as a director (except in cases where the employee does not lose membership in the ESA), mandatory retirement, transfer to a group company (excluding group companies to which the ESA Rules apply), resignation for company reasons, reasons other than other justifiable reasons, commits an act in violation of laws or regulations, or in the event that certain events specified in the Allotment Agreement occur, the Company shall acquire all the allotted shares in the number corresponding to the Restricted Stock Equity Interest held by the Eligible Employee at that time. In addition, the Company shall naturally acquire the allotted shares without compensation for which the Transfer Restriction are not lifted at the time of expiration of the transfer restriction period or after the lifting of the Transfer Restriction prescribed in (3) above.

(5) Administration of shares

During the transfer restriction period, the allotted shares shall be administrated in a dedicated account opened at Nomura Securities Co., Ltd. by the ESA to ensure that the ESA neither transfers, nor creates any security interest on, nor otherwise dispose of the allotted shares during such period. In addition, the ESA shall register and administrate the Restricted Stock Equity Interests separately from the member equity interests held by the Eligible Employees (“the Ordinary Equity Interests”) in accordance with the provisions of the ESA's Rules, etc.

(6) Treatment in organizational restructuring, etc.

In cases where, during the transfer restriction period, a merger agreement under which the Company shall become a defunct company, a share exchange agreement under which the Company shall become a wholly owned subsidiary, a share transfer plan or any other matters relating to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (however, in cases where approval by a general meeting of shareholders of the Company is not required for such organizational restructuring, etc., the Board of Directors of the Company) ), the Transfer Restrictions shall be lifted, by a resolution of the Board of Directors, as of the time immediately before the business day prior to the effective date of the said organization restructuring, etc., for all of the allotted shares held corresponding to the Restricted Stock Equity Interest held by the Eligible Employee among the allotted shares held by the ESA on the date of such approval.

4. Basis for the calculation of the disposal price and specifics

The Disposal of Treasury Stock to the ESA, which is the scheduled allottee, is conducted by the Eligible Employees contributing to the ESA the Special Incentive provided to the Eligible Employees for the grant of restricted stock by way of in-kind contribution. In order to eliminate arbitrariness, the disposal price is set at 1,165 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on April 30, 2024 (the business day immediately preceding the date of the Board of Directors resolution). This is the market share price immediately prior to the date of the Board of Directors' resolution, and we believe that it is reasonable and does not constitute a particularly favorable amount.

The percentage deviation of the disposal price from the average closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange (rounded to two decimal places) is as follows.

Term	Average closing price (less than one yen is rounded down)	Deviation ratio
One month (April 1, 2024 - April 30, 2024)	1,161 Yen	0.34%.
Three months (January 31, 2024 - April 30, 2024)	1,236 Yen	-5.74%.
Six months (October 31, 2023 - April 30, 2024)	1,218 Yen	-4.35%.

The Audit and Supervisory Committee of the Company (consisting of four members, including three outside directors) has expressed its opinion that the disposal price does not constitute a particularly favorable amount to the scheduled allottee and is lawful considering the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors' resolution.

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

Concerning the Disposal of Treasury Stock, as (i) the dilution ratio is less than 25% and (ii) it does not involve a change in controlling shareholder, it is not necessary to obtain an opinion from an independent third party or to confirm the intent of shareholders as required by Rule 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

(Reference)

[Structure of the Plan]

- (1) The Company will pay monetary claims to the Eligible Employees who agree to the Plan as a Special Incentive for the grant of restricted stock.
- (2) The Eligible Employees who agree to the Plan will contribute the monetary claims described in (1) above to the ESA.
- (3) The ESA will consolidate the monetary claims contributed in (2) above and pay them to the Company.
- (4) The Company will allot the allotted shares to the ESA as restricted stock (“RS” in the chart below).
- (5) The restricted stocks are held in the ESA’s dedicated accounts managed by Nomura Securities, and withdrawal by the ESA’s members will be restricted during the transfer restriction period.
- (6) The allotted shares will be transferred to the Ordinary Equity Interests or securities account in the name of the Eligible Employee after the expiration of the Transfer Restrictions.

