



June 28, 2023

Company name: Neturen Co., Ltd.  
Name of representative: Katsumi Omiya, Representative Director, Member of the Board, President and Chief Executive Officer  
(Securities code: 5976; Prime Market of the Tokyo Stock Exchange)  
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### Notice Concerning Disposal of Treasury Shares as Restricted Stock and Performance Share Unit

Neturen Co., Ltd. (the “Company”) hereby announces that the following resolution regarding disposal of treasury shares as restricted stock and performance share unit (the “Disposal of Treasury Shares”) has been approved by the Board of Directors at its meeting held today.

#### 1. Overview of disposal

	Restricted stock	Performance share unit
(1) Payment due date	July 21, 2023	July 21, 2023
(2) Class and number of shares to be disposed of	21,700 shares in common stock of the Company	13,900 shares in common stock of the Company
(3) Price of disposal	969 yen per share	969 yen per share
(4) Total amount to be disposed of	21,027,300 yen	13,469,100 yen
(5) Persons who will receive an allotment of shares to be disposed of	Directors, Members of the Board as well as Executive Officers; eight persons; 21,700 shares	Directors, Members of the Board as well as Executive Officers; seven persons; 13,900 shares
(6) Other	The Written Notice of Securities under the Financial Instruments and Exchange Act has been submitted to effectuate the Disposal of Treasury Shares.	Same as left

#### 2. Purposes and reasons for disposal

Today, the Company’s Board of Directors passed a resolution to the effect that common stock of the Company will be allotted to its Directors, Members of the Board as well as Executive Officers who will be receiving the allotment (the “Persons Eligible for the Allotment”) as described above, as restricted stock and performance share unit for FY2023.

The restricted stock will be paid on such conditions as that each of the Persons Eligible for the Allotment enters into an agreement for the allotment of restricted stock with the Company.

It should be noted that the transfer restriction period will be from the day on which the shares are allotted to the day on which a Person Eligible for the Allotment the Company retires from the Company, so that we can realize the purposes of introducing this system, which are to further strengthen our initiatives to enhance our corporate value over the medium to long term and to promote further value sharing with our shareholders, for as long as possible.

### 3. Overview of restricted stock

#### (1) Period and details of transfer restriction

The Persons Eligible for the Allotment may not transfer, pledge, create a security interest in, or otherwise dispose of the transfer-restricted shares (the “Transfer Restriction”) that are allotted to them (the “Allotted Shares”) to any third party during the aforementioned transfer restriction period from July 21, 2023, to the day on which they retire from any positions as Director, Member of the Board; Executive Officer; and employee (the “Transfer Restriction Period”).

#### (2) Removal of Transfer Restriction

If a Person Eligible for the Allotment of restricted stock loses any positions as Director, Member of the Board; Executive Officer; and employee of the Company due to expiration the term of office or any other reason deemed legitimate by the Board of Directors of the Company or loses such positions due to death during the Transfer Restriction Period, the Transfer Restriction will be removed for all of the Allotted Shares held by such person.

#### (3) Acquisition of restricted stock without consideration

If a Person Eligible for the Allotment of restricted stock violates laws and regulations or falls under any of the categories prescribed by the Board of Directors of the Company during the Transfer Restriction Period, the Company may naturally acquire all or part of the Allotted Shares without consideration.

#### (4) Provisions concerning management of shares

The Persons Eligible for the Allotment shall open accounts with Daiwa Securities Co. Ltd. using the method designated by the Company, in which the Allotted Shares will be registered or recorded, and stored and maintained until the removal of the Transfer Restriction.

#### (5) Treatment in the event of organizational restructuring, etc.

If the Company becomes subject to merger or any other type of organizational restructuring in which the Company is a disappearing company during the Transfer Restriction Period, the Transfer Restriction for the Allotted Shares may be removed prior to the effective date of such organizational restructuring, etc. based on a resolution of the Board of Directors of the Company.

### 4. Overview of performance share unit

#### (1) Framework of performance share unit

The specific framework of the performance share unit shall be as described below.

(A) The Company will, through its Board of Directors, determines the valuation standards required to calculate the specific number of shares in common stock of the Company to be delivered to each eligible Director, Member of the Board (the “Number of Shares to Be Delivered”) (which will be set based on operating profit, ROE, etc., and include consolidated indicators) and the method of calculating the payment rate according to how much such standards are met, among other matters.

(B) After the elapse of three consecutive fiscal years (the “Covered Period”; the Company plans to, within the scope approved at this General Meeting of Shareholders, provide performance share unit for which the first Covered Period shall be the three-fiscal-year period starting in the fiscal year ended March 31, 2021, and ending in the fiscal year ended March 31, 2023, and thereafter, for each fiscal year following the fiscal year ended March 31, 2021, for which new Covered Periods shall be the respective three-consecutive-fiscal-year periods starting with the first fiscal year for that period), the Company will, through its Board of Directors, determines the Number of Shares to Be Delivered to each eligible Director, Member of the Board based on the payment rate calculated according to the degree of achievement of the business performance of the Company for the relevant Covered Period.

(C) The Company shall pay monetary compensation receivables to be used for in-kind payment to each eligible Director, Member of the Board according to the Number of Shares to Be Delivered for each eligible Director, Member of the Board determined as per (B) above. The Board of Directors will determine the per share amount to be paid in for common stock of the Company based on the closing price of the common stock of the Company at Tokyo Stock Exchange on the business day immediately preceding the date of resolution at a meeting of the Board of Directors concerning the issuance of new shares or disposal of treasury shares by the Company (if transactions are not executed on that day, the closing price on the most recent trading day preceding that day), within the range that is not an amount particularly advantageous to the eligible Directors, Members of the Board who receive shares in common stock.

(D) When the Company issues new shares or disposes treasury shares, each eligible Director, Member of the Board will be allotted shares in common stock of the Company by making in-kind payment to the Company of all of the monetary compensation receivables paid as per (C) above to be used for in-kind payment.

(2) Calculation method of Number of Shares to Be Delivered for performance share unit  
The Company calculates the Number of Shares to Be Delivered using the following formula.

[Calculation formula for Number of Shares to Be Delivered]

Number of Shares to Be Delivered (\*1) = Standard Number of Shares to Be Delivered for each eligible Director, Member of the Board (\*2) x Payment rate (\*3)

- (\*1) Any fractions less than 100 shares resulting from the calculation shall be rounded off to the nearest 100 shares.
- (\*2) The Board of Directors of the Company will determine it taking into consideration the rank, etc. of each eligible Director, Member of the Board.
- (\*3) The Board of Directors of the Company will determine it based on such factors as the degree of achievement of business performance of the Company.  
It shall be set between 0% and 100% according to the calculation method.

(3) Requirements for delivering shares in common stock of the Company to the eligible Directors, Members of the Board

Under the performance share unit system, shares in common stock of the Company will be delivered to each eligible Director, Member of the Board when the Covered Period ends and if the following requirements for the delivery of shares are met. The Company delivers shares in common stock of the Company through issuance of the new shares or disposal of treasury shares by the Company, and the eligible Directors, Members of the Board to whom the shares in common stock of the Company will be delivered and the Number of Shares to Be Delivered shall be determined by the Board of Directors of the Company after the end of a Covered Period in accordance with the following requirements for delivery of shares in (A) through (C) and the calculation method prescribed in (2) above.

- (A) The eligible Directors, Members of the Board have continued to be in any of the position of Director, Member of the Board (excluding Outside Director) during the Covered Period.
- (B) There have been no certain wrongful activities prescribed by the Board of Directors of the Company.
- (C) Any other requirements determined by the Board of Directors of the Company as necessary for achieving the purposes of the performance share unit are met.

As for persons who retired from the office of Director, Member of the Board of the Company (excluding Outside Director) during the Covered Period and persons who newly assumed the office of Director, Member of the Board of the Company (excluding Outside Director) during the Covered Period (excluding those who assumed the office in the initial year of the Covered Period), the performance share for the relevant Covered Period will not be paid to such persons. In cases where a proposal concerning merger contracts under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly-owned subsidiary of another company, or any other organizational restructuring, etc. is approved by the General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company if approval by the General Meeting of Shareholders of the Company is not required for said organizational restructuring, etc.) during the Covered Period, the performance share for the relevant Covered Period will not be paid.

5. Basis for calculation of amount of payment and details thereof

The price of Disposal of Treasury Shares shall be 969 yen, which is the closing price of common stock of the Company in the Tokyo Stock Exchange on the business day immediately prior to the date of resolution by the Board of Directors (June 27, 2023), in order to make it an amount eliminating any arbitrariness. The Company believes that the price is reasonable and does not constitute a price particularly advantageous, as it is a quoted share price as of the time immediately prior to the date of resolution by the Board of Directors of the Company.