



June 26, 2025

Company name: Neturen Co., Ltd.
(Securities code: 5976; Prime Market of the Tokyo Stock Exchange)
Representative: Katsumi Omiya, President and CEO
Inquiries to : Naoshi Hisada, Senior Operating Officer,
General Manager, Corporate Planning Office
(Telephone: +81-3-3443-5441)

Dear Sir or Madam,

Notice Concerning the Disposal of Treasury Shares for Restricted and Performance-Based Stock Compensation

Neturen hereby announces that the disposal of treasury shares for restricted and performance-based stock compensation was resolved at the meeting of the Board of Directors held on June 26, 2025 as outlined below.

1. Detail of Stock Compensations

	Restricted Stock Compensation	Performance-based Stock Compensation
(1) Payment Date	July 18 th , 2025	July 18 th , 2025
(2) Type and Number of Shares to be Disposed of	Neturen's Common Stock 20,900 shares	Neturen's Common Stock 9,800 shares
(3) Price of Disposal	JPY 1,076/Share	JPY 1,076/Share
(4) Total Value of Disposal	JPY 22,488,400	JPY 10,544,800
(5) Recipient	Eight (8) Directors and Senior Executive Officers 20,900 Shares in Total (Except Outside Directors)	Seven (7) Directors and Senior Executive Officers 9,800 Shares in Total (Except outside directors, those who stepped down from directors or senior executive officers during the

		designated term and those who were newly appointed as directors or senior executive officers during the designated term.)
(6) Other Remarks	A Securities Notification has been submitted in accordance with the Financial Instruments and Exchange Act with respect to this disposal of treasury shares.	Ditto

2. Purpose and Reason of Stock Compensations

NETUREN's Board of Directors resolved to allot shares of the Company's common stock, as outlined above, to the Company's Directors and Senior Executive Officers (excluding Outside Directors; hereinafter referred to as the "Allottees") as restricted stock compensation and performance-linked stock compensation for the fiscal year 2025.

Restricted stock compensation will be granted on the condition that each Allottee enters into a restricted stock allotment agreement with the Company and satisfies other related requirements.

To further strengthen our initiatives aimed at enhancing the Company's medium- to long-term corporate value and promoting greater value sharing with our shareholders—the primary objectives of introducing this system—the transfer restriction period has been set from the date of allotment until the date the Allottee resigns from the Company.

3. Outline of Restricted Stock Compensation

(1) Term and Condition of Restriction

During the transfer restriction period (hereinafter referred to as the "Transfer Restriction Period"), which spans from July 21, 2024, until the date the Allottee resigns from all positions as a Director, Senior Executive Officer, or employee of the Company, the Allottee shall not transfer, create a pledge, establish a security interest by way of transfer, or otherwise dispose of in any manner the restricted shares allotted to them (hereinafter referred to as the "Allotted Shares") to any third party (such restriction hereinafter referred to as the "Transfer Restriction").

(2) Lift of Restriction

In the event that an Allottee of the restricted shares loses their position as a Director, Senior Executive Officer, or employee of the Company during the Transfer Restriction Period due to the expiration of their term of office or for any other reason deemed reasonable by the Company's Board of Directors, or in the event of loss of such position due to death, the Transfer Restrictions on all of the Allotted Shares held by the Allottee shall be lifted.

(3) Acquisition of restricted shares by the Company

During the Transfer Restriction Period, if an Allottee of restricted shares falls into any misconduct such as a violation of laws and regulations or any other situation determined by the Company's Board of Directors, the Company shall be entitled to acquire all or part of the Allotted Shares without compensation.

(4) Provisions regarding the management of shares

The Allottee shall, in accordance with the Company's regulation, open an account with Daiwa Securities Co. Ltd., in which the Allotted Shares will be recorded or registered, and shall hold and maintain the Allotted Shares in such account until the Transfer Restrictions are lifted.

(5) Treatment in the Event of Organizational Restructuring, etc.

During the Transfer Restriction Period, if a merger in which the Company becomes the dissolving entity or any other form of organizational restructuring is to take place, the Company may, by resolution of its Board of Directors, lift the Transfer Restrictions on the Allotted Shares prior to the effective date of such organizational restructuring.

4. Outline of Performance-linked Stock Compensation

(1) Structure of Performance-linked Stock Compensation

- a) The Company shall determine, at its Board of Directors meeting, the specific evaluation criteria (such as operating profit, ROE, including consolidated indicators) necessary for calculating the number of common shares to be granted to each eligible Director and Senior Executive Officer (hereinafter referred to as the "Number of Shares to be Granted"), as well as the method for calculating the payment ratio based on the achievement level of these criteria.
- b) The Company shall determine, at its Board of Directors meeting, the number of shares to be granted to each eligible Director and Senior Executive Officer based on the payment ratio calculated according to the achievement level of the Company's performance during a consecutive three-business-year period (hereinafter referred to as the "Performance Period"). The initial Performance Period shall be the three

business years from the fiscal year ending March 31, 2021, to the fiscal year ending March 31, 2023. Thereafter, within the scope approved by the General Meeting of Shareholders, the Company plans to implement performance-linked stock compensation for each fiscal year following the fiscal year ending March 31, 2021, by setting a new consecutive three-business-year Performance Period starting from that fiscal year.

- c) The Company shall grant monetary claims as remuneration to each eligible Director and Senior Executive Officer in an amount corresponding to the number of shares to be granted to them as determined in item (a) above. The payment amount per share of the Company's common stock shall be determined by the Company's Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the Board resolution concerning the issuance of new shares or the disposal of treasury shares (or, if no transaction occurred on that day, the closing price on the most recent trading day prior thereto), ensuring that the terms are not particularly advantageous to the eligible Directors and Senior Executive Officers subscribing for the Company's common stock.
- d) Each eligible Director and Senior Executive Officer shall receive an allotment of the Company's common stocks equivalent to the full amount of the monetary claims granted as remuneration under item (c) above, by means of the issuance of new shares or the disposal of treasury shares by the Company.

(2) Calculation Method for Shares Granted Based on Performance-Linked Compensation

[Formula for Calculating the Number of Shares to Be Granted]

(Number of Shares to Be Granted *1) = (Base Number of Shares *2) × (Payout Ratio *3)

(*1) Any fractional number of shares resulting in less than 100 shares shall be rounded down to the nearest 100-share unit.

(*2) The Base Number of Shares for each eligible Director or Senior Executive Officer shall be determined by the Board of Directors, taking into account the individual's position and other relevant factors.

(*3) The Payout Ratio shall be determined by the Board of Directors based on the level of achievement of the Company's performance and other criteria. The ratio shall be calculated within a range of 0% to 100%, in accordance with the prescribed method.

(3) Conditions for Granting Company's Common Shares to Eligible Directors and Senior Executive Officers

Under the performance-linked stock compensation plan, the Company shall grant its

common shares to each eligible Director and Senior Executive Officer upon the completion of the Performance Period, provided that the share grant conditions outlined below are met. Such grants shall be implemented through the issuance of new shares, or the disposal of treasury shares by the Company. The recipients of the Company's common shares and the number of shares to be granted shall be determined by the Company's Board of Directors after the Performance Period, in accordance with the share grant conditions set forth in items (a) through (c) below and the calculation method described in (2) above.

- (a) The eligible Director or Senior Executive Officer continuously holds the position of Director or Senior Executive Officer of the Company (excluding Outside Directors) throughout the Performance Period.
- (b) The eligible Director or Senior Executive Officer does not engage in any acts of misconduct as specified by the Company's Board of Directors.
- (c) Any other conditions deemed necessary by the Company's Board of Directors to fulfill the purpose of the performance-linked stock compensation plan have been satisfied.

Notwithstanding the foregoing, performance-linked stock compensation for the relevant Performance Period shall not be granted to individuals who retired from their positions as Directors or Senior Executive Officers of the Company during the Performance Period, nor to individuals who were newly appointed as Directors or Senior Executive Officers of the Company during the Performance Period.

Furthermore, if, during the Performance Period, a proposal regarding a corporate reorganization—such as a merger agreement in which the Company becomes the disappearing entity, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other form of organizational restructuring—is approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company, in cases where such shareholder approval is not required), no performance-linked stock compensation shall be granted for that Performance Period.

5. Basis and Details of the Payment Amount

The disposal price of the treasury shares in this transaction has been set at ¥1,076, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (June 25, 2025). This price was selected to eliminate arbitrariness and is based on the market price immediately prior to the Board resolution. Accordingly, we believe that the price is reasonable and does not constitute a particularly advantageous price.