

March 27, 2025

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Notice Concerning Disposal of Own Shares as Restricted Stock Compensation

SAKATA INX CORPORATION (hereinafter, the “Company”) hereby announces that at the Board of Directors meeting held on March 27, 2025, it was resolved to dispose of own shares (hereinafter, the “disposal of own shares” or the “disposal”) as outlined below.

1. Outline of disposal

(1) Date of disposal	April 25, 2025
(2) Class and number of shares to be disposed	Common stock of the Company: 15,950 shares
(3) Price of disposal	¥1,985 per share
(4) Total amount of disposal	¥31,660,750
(5) Disposal recipients, number of recipients, and number of shares to be disposed	Directors (excluding Outside Directors): five persons, 9,509 shares Executive Officers who do not concurrently serve as Directors: nine persons, 6,441 shares

2. Purpose and reasons of disposal

At the Board of Directors meeting held on February 14, 2020, it was resolved to introduce a new compensation plan, the restricted stock compensation plan (hereinafter, the “plan”), for eligible Directors and Executive Officers who do not concurrently serve as Directors (hereinafter, collectively the “eligible Director(s), etc.”). The purpose of the new plan is to provide medium- to long-term incentives and to share shareholder value with the Directors excluding Outside Directors (hereinafter, the “eligible Director(s)”). Furthermore, at the 142nd Annual General Meeting of Shareholders held on March 26, 2020, it was approved to grant monetary compensation claims of up to ¥30 million per year to the eligible Directors as monetary compensation to be used as contribution for the acquisition of restricted stock under the plan (hereinafter, the “restricted stock compensation”). It was also approved that the transfer restriction period of the restricted stock shall be 30 years.

The outline of the plan is as follows.

[Outline of the plan]

The eligible Directors, etc. shall fully contribute the monetary compensation claims granted by the Company under the plan as contribution in kind assets, in exchange for the issuance or disposal of the Company's common stock. Furthermore, under the plan, the total number of shares of common stock to be issued or disposed of by the Company to the eligible Directors shall be limited to 100,000 shares per year. The paid-in amount per share 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 (or, if no transaction was executed on that day, the closing price of the most recent prior trading day), ensuring that the amount is not particularly favorable to the eligible Directors, etc. who subscribe to the shares.

Furthermore, in connection with the issuance or disposal of the Company's common stock under the plan, the Company shall enter into a restricted stock allocation agreement with the eligible Directors, etc. The agreement shall include the following provisions: (i) the eligible Directors, etc. shall not transfer, pledge, or otherwise dispose of the common stock allocated under the restricted stock allocation agreement for a certain period; and (ii) in the event that certain conditions are met, the Company shall have the right to acquire the relevant common stock without compensation.

In consideration of the purpose of the plan, the Company's business performance, the scope of responsibilities of each eligible Director, etc. and various other factors, the Company has decided to grant total monetary compensation claims of ¥31,660,750 (hereinafter, the "monetary compensation claims") and 15,950 shares of common stock to further enhance the motivation of each eligible Director, etc. Furthermore, to achieve the plan's objective of aligning with shareholder value over the medium to long term, the transfer restriction period has been set at 30 years.

Under the disposal of own shares, in accordance with the plan, the 14 eligible Directors, etc., who are the intended allottees, shall fully contribute the monetary compensation claims as contribution in kind assets and receive the disposal of the Company's common stock (hereinafter, the "allocated shares"). The outline of the restricted stock allocation agreement to be concluded between the Company and the eligible Directors, etc. in connection with the disposal of own shares (hereinafter, the "allocation agreement") is provided in Section 3. below.

3. Outline of the allocation agreement

(1) Transfer restriction period

From April 25, 2025 (hereinafter, the "disposal date") to April 24, 2055

(2) Conditions for lifting the transfer restriction

The transfer restriction on all allocated shares shall be lifted upon the expiration of the transfer restriction period, provided that the eligible Directors, etc. have continuously held a position as a Director, an

Executive Officer who does not concurrently serve as a Director, or an employee (excluding a contract employee) of the Company throughout the transfer restriction period.

- (3) Treatment in the event of resignation or retirement of the eligible Directors, etc. during the transfer restriction period due to expiration of their term, reaching the mandatory retirement age, or other reasons deemed justifiable by the Board of Directors

(i) Timing of lifting the transfer restriction

If an eligible Director, etc. resigns or retires from all positions as a Director, an Executive Officer who does not concurrently serve as a Director, or an employee (excluding a contract employee) of the Company due to expiration of their term, reaching the mandatory retirement age, or other reasons deemed justifiable by the Board of Directors (excluding resignation or retirement due to death), the transfer restriction shall be lifted immediately upon resignation or retirement. In the case of resignation or retirement due to death, the transfer restriction shall be lifted at a separately determined timing set by the Board of Directors following the death of the eligible Director, etc.

(ii) Number of shares subject to lifting of transfer restriction

The number of allocated shares held at the time of resignation or retirement as specified in (i) multiplied by the number of months from the month including the disposal date (or, for Executive Officers who do not concurrently serve as Directors, the first month of the fiscal year including the disposal date) to the month including the resignation or retirement date of the Directors, etc., divided by 12 (capped at 1 if the result exceeds 1). Any fractional shares resulting from this calculation shall be rounded down.

- (4) Gratuitous acquisition by the Company

At the expiration of the transfer restriction period or at the time of transfer restriction removal as stipulated in (3) above, the Company shall automatically acquire without compensation any allocated shares for which the transfer restriction has not been lifted.

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

If, during the transfer restriction period, 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 other matters related to organizational restructuring are approved at the Company's General Meeting of Shareholders (or by the Board of Directors, if shareholder approval is not required for such restructuring), the transfer restriction on a certain number of allocated shares shall be lifted by the resolution of the Board of Directors as of immediately prior to the close of business on the business day preceding the effective date of the organizational restructuring, etc. The number of shares subject to the lifting of transfer restriction shall be calculated by multiplying the number of allocated shares held at the time of approval by the number of months from the month including the disposal date (or, for Executive Officers who do not concurrently serve as Directors, the first month of the fiscal year including the disposal date) to the month including the date of approval of the restructuring, divided by 12 (capped at 1 if the result exceeds 1). Any fractional shares resulting from the calculation shall be rounded down.

Additionally, immediately after the lifting of transfer restriction, all allocated shares for which the transfer restriction has not been lifted shall automatically be acquired by the Company without compensation.

(6) Shareholder management

To ensure that the allocated shares cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period, they shall be managed in a dedicated account opened by the eligible Directors, etc. at Nomura Securities Co., Ltd. throughout the transfer restriction period. To maintain the effectiveness of the transfer restriction on the allocated shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of the accounts holding the allocated shares owned by each eligible Director, etc. Furthermore, the eligible Directors, etc. shall consent to the terms of management of their respective accounts.

4. Basis for calculating the paid-in amount and its specific details

The disposal of own shares to the intended allottees shall be conducted using the monetary compensation claims granted as restricted stock compensation for the 147th fiscal year under the plan, with such claims being contributed as assets in kind. To ensure that the disposal price is free from arbitrariness, it has been set at ¥1,985, which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on March 26, 2025 (the business day immediately preceding the date of the Board of Directors resolution). The price reflects the market value of the stock immediately prior to the Board resolution and is considered reasonable and not particularly favorable to the eligible Directors, etc.