

January 19, 2024

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Notice of Issuance of New Shares as Restricted Stock Compensation Plan

The Board of Directors of Apaman Co., Ltd. (the “Company”) approved a resolution on January 19, 2024 to issue new shares as restricted stock compensation (the “Issuance of New Shares”) as described below.

1. Outline of the issuance

(1) Payment date	February 5, 2024
(2) Class and number of shares to be issued	80,000 shares of the Company’s common stock
(3) Issue price	459 yen per share
(4) Total amount of issued shares	36,720,000 yen
(5) Allottees	Two Directors (excluding Outside Directors) of the Company: 80,000 shares
(6) Other items	With respect to the Issuance of New Shares, the Company has submitted a securities registration statement in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the issuance

At the 22nd Ordinary General Meeting of Shareholders held on December 24, 2021, the Company obtained approval for the introduction of a restricted stock compensation plan (the “Compensation Plan”) under which the Company’s Directors (excluding Outside Directors) will be granted restricted stock for the purpose of sharing the benefits and risks of stock price fluctuations with shareholders, and to further increase their motivation to contribute to the increase in stock price and corporate value. The Company also has obtained the following approvals at this meeting in accordance with the Compensation Plan: The total monetary compensation claims to be paid to the Company’s Directors (excluding Outside Directors) as remuneration for restricted stock shall be set at 50 million yen or less per year; the total number of shares of restricted stock to be allotted to Directors (excluding Outside Directors) shall be up to 80,000 shares; and the period of restriction on transfer of shares with transfer restrictions shall be three years or longer as determined by the Board of Directors.

Today, the Board of Directors resolved to grant restricted stock to two Directors (excluding Outside Directors) of the Company, who are the planned allottees (the “Allottees”), as the restricted stock compensation for the period from the 24th Ordinary General Meeting of Shareholders to the 25th Ordinary General Meeting of Shareholders to be held in December 2024. The Company has resolved to allot 80,000 shares of its common stock as specified restricted stock and pay a total of 36,720,000 yen in monetary compensation claims to the Allottees through a contribution in kind of all the monetary compensation claims. The amount of the monetary compensation claims against each of the Allottees has been determined after comprehensively taking into consideration various matters such as the degree of contribution of Allottees to the Company. In addition, such

monetary compensation claims will be paid on the condition that each Allottee concludes a contract for allotment of restricted stock with the Company (the "Allotment Agreement") that includes, in general, the following details.

The period of restriction on transfer is set at three years in order to realize the purpose of introducing the Compensation Plan, which is for the Allottees to share the benefits and risks of stock price fluctuations with shareholders, and to further increase their motivation to contribute to the increase in stock price and corporate value.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From February 5, 2024 to February 4, 2027

During the period above (the "Transfer Restriction Period"), the Allottees shall not be able to transfer the restricted stock allotted to them (the "Allotted Stock") to a third party, establish a pledge on it, create a transferable security interest on it, gift it inter vivos, bequest it, or otherwise dispose of it in any way (the "Transfer Restriction").

(2) Acquisition of restricted stock without consideration

In the event that an Allottee retires from the position of Director on or after the day of the commencement of the Transfer Restriction Period and until the day prior to the date the first subsequent Ordinary General Meeting of Shareholders is held, the Company shall, as a matter of course, acquire the Allotted Stock without consideration, excluding cases when the reason for retirement is recognized as fair by the Company's Board of Directors.

In addition, if there are shares among the Allotted Stock for which the Transfer Restriction has not been removed based on the grounds for the removal of the Transfer Restriction in the below item (3) as of the time the Transfer Restriction Period ends, then the Company shall, as a matter of course, acquire these stock without consideration.

(3) Removal of Transfer Restriction

The Company shall remove the Transfer Restriction on all of the Allotted Stock held by an Allottee when the Transfer Restriction Period ends, subject to the Allottee continuously holding the position of Director from the day of the commencement of the Transfer Restriction Period until the day the first subsequent Ordinary General Meeting of Shareholders. However, if the Allottee retires from the position of Director on or before the day of the commencement of the Transfer Restriction Period owing to a reason recognized as fair by the Company's Board of Directors, the Company shall remove the Transfer Restriction relating to the number of the Allotted Stock obtained by dividing the number of months from January 2024 to the month in which the Allottee resigns as a Director of the Company by 12 (however, if the result of the calculation exceeds 1, the number shall be 1) and multiplied it by the number of the Allotted Stock held by the Allottee at that time, as of the time immediately after the retirement. If any fraction of less than one share arises as a result of the calculation, such fraction shall be discarded.

(4) Provisions regarding management of shares

The Allottee shall complete the opening of an account at SMBC Nikko Securities Inc. to enter or record the Allotted Stock in a manner designated by the Company, and shall keep and maintain the Allotted Stock in such account until the Transfer Restriction is removed.

(5) Treatment in organizational restructuring, etc.

In the event of a merger agreement where the Company will be the disappearing company, a share exchange agreement or share transfer plan where the Company shall become a wholly owned subsidiary, or other

proposal relating to reorganization, etc. being approved at the Ordinary General Meeting of Shareholders (limited to cases where the effective date of the reorganization, etc. falls before the time when the Transfer Restriction Period expires, hereinafter the “time of approval of reorganization”) during the Transfer Restriction Period (however, this shall be the Company’s Board of Directors in cases that do not require approval at the Ordinary General Meeting of Shareholders in relation to the reorganization, etc.), and in the event that an Allottee retires from the position of Director as a result of the reorganization, etc., the Company shall, by resolution of the Board of Directors, remove the Transfer Restriction relating to the number of the Allotted Stock obtained by dividing the number of months from January 2024 to and the month including the date of such approval by 12 (however, if the result of the calculation exceeds 1, the number shall be 1) and multiplying it by the number of the Allotted Stock held by the Allotees as of the date of such approval, as of the time immediately preceding the business day before the effective date of the reorganization, etc. If any fraction of less than one share arises as a result of the calculation, such fraction shall be discarded.

At the time of approval of reorganization, the Company shall, as a matter of course, acquire without consideration all of the Allotted Stock for which the Transfer Restriction has still not been removed on the business day immediately preceding the effective date of the reorganization, etc.

4. Basis for calculation of the amount to be paid and its specific details

The issue price of the new shares to be issued is set at 459 yen, which is 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 (January 18, 2024), in order to eliminate arbitrariness. This is the market price of the Company’s common stock immediately prior to the date of the resolution of the Board of Directors of the Company, and is considered to be a reasonable and not particularly favorable price.