



June 28, 2023

To whom it may concern

Company MARUBUN CORPORATION
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Notice of Disposal of Treasury Shares as Restricted Stock Compensation

Marubun Corporation (the “Company”) hereby announces that, at a meeting held on June 28, 2023, its Board of Directors resolved to dispose of its treasury shares (the “Disposition of Treasury Shares” or “Disposition”). Details are as follows.

1. Overview of the disposition

(1)	Disposition date	July 27, 2023
(2)	Type and number of shares to be disposed of	23,415 shares of common stock of the Company
(3)	Disposition price	1,266 yen per share
(4)	Total disposition amount	29,643,390 yen
(5)	Allottees, number thereof, and number of shares to be disposed of	Five Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) of the Company 23,415 shares
(6)	Other	For the Disposition of Treasury Shares, the Company submits the securities registration statement under the Financial Instruments and Exchange Act.

2. Purpose and reasons for the Disposition

At a meeting held on June 28, 2023, the Company’s Board of Directors resolved to introduce a restricted stock-based compensation plan (the “Plan”) as a new compensation plan for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; the “Eligible Directors”), with the aim that Eligible Directors will share with shareholders the advantages and risks of stock price changes, thus further raising their motivation to contribute to raising the stock price and enhancing corporate value. In addition, at the 76th Ordinary General Meeting of Shareholders held on June 28, 2023, the Company received approvals, including approval to provide under the Plan monetary compensation claims of up to 50 million yen per year to the Eligible Directors as compensation to be used as properties contributed in kind for acquisition of the restricted stocks (the “Restricted Stock Compensation”) and issue or dispose of no more than 100,000 common shares of the Company per year, as well as approval to set a period determined by the Company’s Board of Directors between three and five years as a transfer restriction period for the restricted stock. The following is an overview of the Plan.

【Overview of the Plan】

Under the Plan, the Eligible Directors will make in-kind contributions of all the monetary compensation receivables to be granted from the Company and in return receive the Company's common stock that will be issued or disposed of by the Company. The amount to be paid in per share will be determined by the Board of Directors to the extent that the amount will not be particularly advantageous to the Eligible Directors who subscribe to the Company's common shares based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day before the date of each resolution of the Board of Directors (if the trade is not made on that day, the closing price on the trading day immediately prior to that day).

In addition, when the Company's common stock is issued or disposed of based on the Plan, an allotment agreement of shares with restrictions on transfer will be concluded between the Company and the Eligible Directors, and its contents will include the following: (1) the Eligible Directors are prohibited from transferring to a third party, creating a security right on or otherwise disposing of the Company's common stock the allotment of which they received based on the allotment agreement of shares with restrictions on transfer for a certain period of time; and (2) if certain circumstances have arisen, the Company shall acquire the common stock without consideration.

This time, upon obtaining the advice and consent of the Nominating and Compensation Committee, the Company will grant monetary compensation claims totaling 29,643,390 yen (the "Monetary Compensation Claims"), or 23,415 common shares, taking into consideration the purpose of the Plan, the Company's business conditions, and the range of responsibilities of each of the Eligible Directors, among other factors. To achieve an alignment with shareholders' value, which is one of the purposes of the introduction of the Plan, over the medium and long term, this time, the transfer restriction period shall be set at three years.

In the Disposition of Treasury Shares, the five Eligible Directors who are the scheduled recipients of the allotment will pay all the Monetary Claims to the Company as the property contributed in kind and receive the Disposition of the Company's common stock (the "Allotted Shares") based on the Plan. The overview of the allotment agreement of shares with restrictions on transfer to be concluded between the Company and the Eligible Directors in the Disposition of Treasury Shares (the "Allotment Agreement") is as described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From July 27, 2023 (the "Disposition Date") to July 26, 2026

(2) Conditions for cancellation of transfer restriction

The Company shall lift the transfer restriction on all Allotted Shares when the transfer restriction period expires on the condition that the Eligible Directors were continuously in the position of Director of the Company during the transfer restriction period.

(3) Handling in cases where the Eligible Directors left office due to the expiration of their term of office or any other due cause

(i) Time when transfer restrictions are lifted

If the Eligible Directors resign or retire from their position as Director of the Company due to the expiration of their term of office or any other due cause (including retirement due to death), the transfer restrictions shall be lifted immediately after the resignation or retirement of the Eligible Directors.

(ii) Number of shares subject to the lifting of transfer restrictions

The number of shares subject to the lifting of transfer restrictions shall be calculated by multiplying the number of Allotted Shares held at the time of the resignation or retirement mentioned in (i) by the number of months from the month that includes the Disposition Date to the month that includes the date of the resignation or retirement of

Eligible Directors divided by 12 (if the result of the division exceeds 1, the result shall be deemed to be 1). (Any fractional shares arising from the calculation shall be rounded down.)

(4) Acquisition of shares by the Company without compensation

The Company will automatically acquire the Allotted Shares for which the restriction on transfer is not lifted at the time when the transfer restriction period expires or when the restriction on transfer is lifted as specified in (3) above without consideration.

(5) Measures to be taken in relation to reorganization, etc.

If a merger agreement in which the Company will become the disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary or any other matter concerning organizational restructuring is approved at a general meeting of shareholders of the Company (however, if approval at a general meeting of shareholders of the Company is not needed, the Board of Directors of the Company) during the Transfer Restriction Period, the restriction on transfer will be lifted by the resolution of the Board of Directors for the number of shares obtained by multiplying the Allotted Shares owned at that point in time by the number obtained by dividing the number of months from the month that includes the Disposition Date to the month that includes the date of the approval by 12 (if the result of the division exceeds 1, the result shall be deemed to be 1) just before the business day preceding the day when the organizational restructuring goes into effect. (Any fractional shares arising from the calculation shall be rounded down.) In addition, the Company will automatically acquire all the Allotted Shares for which the restriction on transfer is not lifted immediately after the restriction on transfer was lifted without consideration.

(6) Management of shares

The Allotted Shares are managed in a dedicated account opened by the Eligible Directors at Nomura Securities Co., Ltd. during the transfer restriction period so that the Eligible Directors will be unable to execute a transfer, create a security interest or dispose of them during the transfer restriction period. The Company has entered into a contract with Nomura Securities Co., Ltd. for the management of the account of the Allotted Shares owned by the Eligible Directors to ensure the effectiveness of the restriction on transfer of the Allotted Shares. The Eligible Directors shall agree on the management of the account.

4. Calculation basis of payment amounts and relevant details

The Disposition of Treasury Shares to the scheduled recipients is conducted by using as the property contributed the monetary claims granted as the restricted stock compensation for the 77th fiscal year under the Plan. The disposition value is set at 1,266 yen, which is the closing price of the Company's common stock in the Prime Market of the Tokyo Stock Exchange on June 27, 2023 (business day preceding the date of resolution of the Board of Directors), to make the disposition value a value that eliminates arbitrariness. This is the market share price immediately before the date of resolution of the Board of Directors, and the Company believes that it is reasonable and does not fall under a value that is particularly favorable.