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Japan Transcity Corporation
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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

Japan Transcity Corporation (the “Company”) hereby announces that it has decided today to dispose of treasury shares (the “Disposal of Treasury Shares” or “disposal”) as follows, by the procedure omitting resolution at the Board of Directors in accordance with provisions of Article 370 of the Companies Act and Article 27 of the Company’s Articles of Incorporation.

1. Overview of the disposal

(1) Disposal date	August 22, 2025
(2) Class and number of shares to be disposed of	Company’s common shares: 95,043 shares
(3) Disposal price	¥1,101 per share
(4) Total disposal amount	¥104,642,343
(5) Allottees and number thereof, and number of shares to be disposed of	4 Directors of the Company (excluding Outside Directors): 35,312 shares 10 Executive Officers of the Company (excluding those living outside Japan): 59,731 shares
(6) Other	An extraordinary report under the Financial Instruments and Exchange Act will be submitted regarding the disposal of treasury shares.

2. Purpose and reason of the disposal

The Company resolved at the Board of Directors’ meeting held on May 12, 2017, to give incentives for sustainable improvement of corporate value to the Company’s Directors excluding Outside Directors (“eligible Directors”) and the Company’s Executive Officers excluding those living outside Japan (collectively “eligible Directors and Officers”) and introduce the restricted stock compensation system (the “System”) as a compensation system for the Company’s eligible Directors and Officers, with the purpose of further sharing shareholder value. Also, at the 103rd Ordinary General Meeting of Shareholders held on June 29, 2017, it has been approved that monetary claims of up to ¥60 million per year shall be granted to eligible Directors as monetary compensation to be used for acquiring

restricted shares (“Restricted Stock Compensation”) based on the System, and that the transfer-restricted period of the restricted shares shall be between three and five years and determined by the Company’s Board of Directors. As for the monetary claims, an amount equivalent to compensation for execution of duties during two fiscal years shall be paid in a lump sum in the initial fiscal year, which will correspond to payment of up to ¥30 million per fiscal year in essence.

The overview of the System is as follows.

[Overview of the System]

The eligible Directors and Officers shall pay all of the monetary claims granted by the Company based on the System as in-kind contributions for issuance or disposal of the Company’s common shares. The total number of common shares the Company issues or disposes of for the eligible Directors based on the System shall be maximum 250,000 shares per annum (equivalent to maximum 125,000 shares per fiscal year in essence), and the payment amount per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares at the Tokyo Stock Exchange on the business day preceding the date of resolution at the Board of Directors (if no trading is completed on such day, the closing price on the latest trading day that precedes it), within a scope that is not particularly favorable to the eligible Directors and Officers who subscribe for the common shares.

For issuance or disposal of the Company’s common shares under the System, the Company and eligible Directors and Officers shall conclude a restricted stock allotment agreement (the “Allotment Agreement”), which sets forth provisions including (i) the eligible Directors and Officers shall not transfer, set collateral rights for, or otherwise dispose of the Company’s common shares allotted to them based on the Allotment Agreement for a certain period of time, and (ii) in the event of certain circumstances, the Company shall acquire the common shares at no cost.

This time, to further motivate the eligible Directors and Officers with consideration for the System’s purpose, the Company’s performance, scope of duties of each eligible Director and Officer, and various circumstances, the Company decided to grant monetary claims of ¥104,642,343 (the “monetary claims”; including the total monetary claims of ¥38,878,512 to be granted to the eligible Directors) and 95,043 common shares of the Company (the “Allotted Shares”; including a total of 35,312 shares to be granted to the eligible Directors). The amount of the monetary claims corresponds to compensation for execution of duties for two fiscal years. The transfer-restricted period has been set to be four years, with the aim of sharing shareholder value, which is the purpose of introduction of the System, in the medium-to-long term.

For the Disposal of Treasury Shares, 14 eligible Directors and Officers, to whom shares will be allotted based on the System, shall pay all of the monetary claims to the Company as in-kind contributions for disposal of the Company’s common shares. The overview of the Allotment Agreement concluded between the Company and eligible Directors and Officers for the Disposal of Treasury Shares is as described below in 3.

3. Overview of the Allotment Agreement

- (1) Transfer-restricted period: From August 22, 2025, to August 22, 2029
- (2) Conditions for lifting transfer restrictions

Transfer restrictions on the Allotted Shares shall be lifted upon expiration of the transfer-restricted period on the condition that the eligible Directors and Officers, during the transfer-restricted period, continue to hold any of the following positions: Director of the Company or its subsidiaries, Executive Officer who does not serve as Director, Auditor, employee, advisor, councilor, or other equivalent position.

- (3) Handling in case the eligible Directors and Officers retire for expiration of their term of office, retirement age, or other just reasons during the transfer-restricted period

- (i) Timing of lifting of transfer restrictions

If the eligible Directors and Officers retire from the position of Director of the Company or its subsidiaries, Executive Officer who does not serve as Director, Auditor, employee, advisor, councilor, or any other equivalent position for expiration of their term of office, retirement age, or other just reasons (excluding resignation due to death), transfer restrictions shall be lifted at the time of immediately after retirement of the eligible Directors and Officers.

In case of retirement due to death, after the eligible Directors and Officers pass away, transfer restrictions shall be lifted at a timing determined separately by the Board of Directors.

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

Transfer restrictions shall be lifted for the number of the Allotted Shares held at the time of retirement set forth in (i), multiplied by the number obtained by dividing the number of months from June 2025, the starting month of the payment eligibility period, to the month including the retirement date by 24 (if the calculated result exceeds 1, it shall be deemed to be 1) (any fractional shares resulting from the calculation shall be rounded down).

- (4) Gratuitous acquisition by the Company

The Company shall automatically acquire at no cost the Allotted Shares for which transfer restrictions are not lifted at the time of expiration of the transfer-restricted period or lifting of transfer restrictions based on the above (3).

- (5) Management of shares

The Allotted Shares shall be managed in a special account opened at Nomura Securities Co., Ltd. by the eligible Directors and Officers during the transfer-restricted period so that they cannot be transferred, set collateral rights for, or otherwise disposed of during the transfer-restricted period. The Company has concluded an agreement with Nomura Securities Co., Ltd. regarding management of the account of the Allotted Shares held by each eligible Director and Officer to ensure effectiveness of transfer restrictions, etc. on the Allotted Shares. The eligible Directors and Officers shall agree to the terms of management of the account.

- (6) Handling in case of organizational restructuring, etc.

If a merger agreement in which the Company becomes the dissolved company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other matters relating to organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or the Company's Board of Directors if such organizational restructuring, etc. does not require approval at the Company's General Meeting of Shareholders) during the transfer-restricted period, transfer restrictions shall be lifted for the number of the Allotted Shares held at the time of such event, multiplied by the number obtained by dividing the number of months from June 2025, the starting month of the payment eligibility period, to the

month including the approval date by 24 (if the calculated result exceeds 1, it shall be deemed to be 1) (any fractional shares resulting from the calculation shall be rounded down) at time immediately prior to the business day preceding the effective date of the organizational restructuring, etc. by the resolution of the Board of Directors. On the business day preceding the effective date of the organizational restructuring, etc., the Company shall automatically acquire at no cost all shares held by the eligible Directors and Officers on that day and for which transfer restrictions are not lifted.

4. Basis for calculating the payment amount and its specific details

The Disposal of Treasury Shares to the allottees shall be carried out using monetary claims, paid as compensation for execution of duties for two fiscal years from the Company's 112th fiscal year to 113th fiscal year based on the System, as contributed assets. The disposal price is set at ¥1,101, the closing price of the Company's common shares at the Tokyo Stock Exchange Prime Market on July 23, 2025 (the business day preceding the date of resolution at the Board of Directors) to eliminate arbitrariness. This is the market price immediately before the date of resolution at the Board of Directors and is considered reasonable and not particularly advantageous to the eligible Directors and Officers.