



July 10, 2023

Company name: **C. Uyemura & Co., Ltd.**  
Stock code: 4966  
Listing: Standard Market of the Tokyo Stock Exchange  
Representative: Hiroya Uyemura, President  
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**Notice Regarding Disposal of Treasury Shares as Restricted Stock  
Compensation**

C. Uyemura & Co., Ltd. (hereinafter the “Company”) hereby announces that at the Board of Directors’ meeting held on July 10, 2023 (hereinafter the “Allocation Resolution Date”), it resolved to dispose of the Company’s treasury shares (hereinafter the “Disposal of Treasury Shares” or the “Disposal”) as follows.

1. Overview of the Disposal

(1)	Allotment date	August 4, 2023
(2)	Class and number of shares subject to disposal	6,306 shares of common shares of the Company
(3)	Disposal price and total amount of disposal	JPY 8,300 per share * The Disposal will be conducted without any contribution as the Director’s remuneration pursuant to Article 202-2 of the Companies Act. The closing price of the common shares of the Company on July 7, 2023 (the business day immediately preceding the date of resolution by the Board of Directors) on the Standard Market of the Tokyo Stock Exchange of 8,300 yen is used as the fair value of the disposal price, and the total amount of disposal is

	52,339,800 yen, which is calculated by multiplying the disposal price by the number of shares subject to disposal.
(4) Allottees and number thereof, number of shares to be allotted	Directors of the Company (excluding Outside Directors), 6 persons, 6,306 shares (Service Period-linked Restricted Stock Compensation: 3,153 shares; Performance-linked Restricted Stock Compensation: 3,153 shares)

## 2. Purpose and Reasons for the Disposal

At the Board of Directors' meeting held on May 12, 2023, the Company made a decision to review the Officers' Compensation Scheme for Directors of the Company (excluding Outside Directors, hereinafter "Eligible Director(s)") and to revise a part of the Restricted Stock Compensation Scheme (hereinafter the "Scheme") for the purpose of further increasing the incentives for Eligible Directors to work toward the sustainable enhancement of corporate value and of further promoting value sharing with the Company's shareholders. In addition, at the 95<sup>th</sup> Annual General Meeting of Shareholders held on June 29, 2023, the shareholders approved (i) in addition to revising a part of the existing "Service Period-linked Restricted Stock Compensation," which requires a certain period of continuous service at the Company as a condition to lift the transfer restrictions, in order to increase the linkage between the compensation of Eligible Directors and the performance of the Company, a new "Performance-linked Restricted Stock Compensation," for which the achievement of performance goals set in advance by the Board of Directors is the condition to lift the transfer restrictions, is adopted; (ii) the total amount of the Company's common shares to be issued or disposed of as remuneration to Eligible Directors under the Scheme shall not exceed 30 million yen per year for the "Service Period-linked Restricted Stock Compensation," and shall not exceed 70 million yen per year for "Performance-linked Restricted Stock Compensation," and, in total, the amount shall not exceed 100 million yen per year (however, this does not apply to the employee salary portion of Directors who serve concurrently as employees); (iii) the total number of the Company's common shares to be issued or disposed of as remuneration to Eligible Directors shall not exceed 20,000 shares per year for "Service Period-linked Restricted Stock Compensation," and 46,000 shares per year for "Performance-linked Restricted Stock Compensation," and, in total, the amount shall not exceed 66,000 shares per year (However, regarding any of the total numbers, in the event of a split of the Company's common shares (including a gratis allotment of the Company's common shares), a consolidation of shares, or any other event where an adjustment to the

total number of the Company's common shares to be issued or disposed of as restricted shares is necessary after the date of approval by shareholders, the total number of shares to be issued or disposed of will be adjusted proportionately, to a reasonable extent.); (iv) with respect to the grant of restricted stock under the Scheme, to make the method of receiving the issuance or disposal of the common shares of the Company without requiring payment of money or contribution of property contributed in kind that is made in exchange for the common shares of the Company as remuneration of Eligible Directors; and (v) to revise the transfer restriction period of the restricted stock to the period from the allotment date of the common shares of the Company regarding the issuance or disposal until the time immediately after resignation or retirement from the position of an officer or employee of the Company or the Company's subsidiary that is determined in advance by the Board of Directors (however, if the time immediately after such resignation or retirement is before the day after three months pass from the end of the fiscal year that includes the day on which the allotment of allotted shares are to be received, the end of the transfer restriction period will be adjusted within reason as necessary). Further, the revisions will apply to restricted shares that are granted in the future and will not change the restricted shares that have already been granted under the Scheme.

The amount of the above compensation to be paid to Eligible Directors shall be calculated based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such day, the closing price on the closest preceding trading day) as the amount per one common share of the Company to be issued or disposed of..

In addition, in connection with the issuance or disposal of the Company's common shares under the Scheme, the Company and the Eligible Directors will execute a restricted share subscription agreement. This agreement will specify that (1) the Eligible Directors are prohibited from transferring, creating any security interest on, or otherwise disposing of the Company's common shares allotted by the Company under the agreement to a third party for a certain period and (2) the Company has the right to acquire these common shares without payment of any contribution if certain events occur.

On this occasion, after the deliberations of the Nomination and Remuneration Committee, the Company has decided to grant a total of 6,306 shares of the Company's common shares for six (6) Eligible Directors in order to boost motivation of the Eligible Directors after considering the purpose of the Scheme, the Company's business performance and management environment and the scope of responsibilities of each of the Eligible Directors,

and other various circumstances. The breakdown is as follows.

I. Service Period-linked Restricted Stock: 3,153 shares

II. Performance-linked Restricted Stock: 3,153 shares

The overview of a restricted share subscription agreement (hereinafter the "Allotment Agreement") to be executed between the Company and the Eligible Directors in the Disposal of Treasury Shares is described in 3. below.

### 3. Overview of the Allotment Agreement

#### [I. Service Period-linked Restricted Stock]

##### (1) Transfer restriction period

During the period from August 4, 2023 (the Allotment Date) to the later of the time immediately following the resignation from the position of Director of the Company or the time of arrival of July 1, 2024.

##### (2) Conditions for lifting transfer restrictions

The Company shall lift the transfer restrictions for all allotted shares as Service Period-linked Restricted Stock (hereinafter in Item I., the "Allotted Shares") upon the expiration of the transfer restriction period, provided that the Eligible Director has continuously held a position of Director of the Company from the date on which the Eligible Director commenced the performance of their duties (June 29, 2023; provided however, such period shall commence after the conclusion of the Annual General Meeting of Shareholders of the Company which was held on the same date) to the time immediately preceding the conclusion of the first Annual General Meeting of Shareholders thereafter (hereinafter the "Service Period").

##### (3) Treatment in cases in which the Eligible Director is deemed to resign due to expiry of term of office, death, or other justifiable reasons during the Service Period

###### (i) Timing of lifting transfer restrictions

In the event that the Eligible Director is deemed to resign the position of Director of the Company due to the expiry of term of office, death or other justifiable reason during the Service Period, the transfer restrictions on such Eligible Director's Allotted Shares shall be lifted at the later of the time immediately after the resignation or the time of arrival of July 1, 2024; provided however, that regardless of the above provision, in the event that any Eligible Director resigns due to death by the time immediately before July 1, 2024, the Company shall, by right, acquire without contribution all of the Allotted Shares held by the Eligible Director at the time of such resignation.

###### (ii) Number of Allotted Shares for which transfer restrictions are to be lifted

The number of the Allotted Shares of the Eligible Director for which transfer restrictions are to be lifted shall be calculated by taking the number of months from the month including the Allotment Resolution Date to the month including the date of the resignation divided by twelve (12), which is the number of months in the Service Period (and if that number exceeds one (1), it shall be one (1)), and then multiplying that resultant quotient by the number of Allotted Shares held at the time of the resignation (provided, however, any fraction of less than one (1) share resulting from this calculation shall be rounded down).

(4) Acquisition without contribution by the Company

Upon the expiration of the transfer restriction period or at the time of lifting transfer restrictions described in (3) above, the Company shall, by right, acquire without contribution the Allotted Shares on which the transfer restriction has not been lifted.

(5) Holding of Allotted Shares

The Allotted Shares shall be held in dedicated accounts at Nomura Securities Co., Ltd. opened by each of the Eligible Directors to ensure it is not possible to transfer, create any security interest on, or otherwise dispose of the shares during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the accounts in which the Allotted Shares are to be held by each of the Eligible Directors to ensure the effectiveness of the transfer restrictions, etc. relating to the Allotted Shares. In addition, the Eligible Directors have agreed to the terms and conditions applicable to such accounts.

(6) Treatment upon Reorganization, etc.

If a proposal for a merger agreement in which the Company would be the disappearing company, or a share exchange agreement or share transfer plan in which the Company would become a wholly owned subsidiary of another company, or other matters concerning the Company's reorganization, etc., has been approved at the General Meeting of Shareholders of the Company (or at the Company's Board of Directors if approval therefor at the General Meeting of Shareholders is not required) (and such approved transaction or matter, hereinafter "Reorganization, etc.") during the transfer restriction period, the transfer restrictions of all of the Allotted Shares shall be lifted, based on the resolution of the Board of Directors, upon the time immediately before the preceding business day of the effective date of the Reorganization, etc..

In addition, at the time immediately after the transfer restriction is lifted, the Company shall, by right, acquire without contribution all of the Allotted Shares on which the transfer restriction has not been lifted.

[II. Performance-linked Restricted Stock]

(1) Transfer restriction period

The period from August 4, 2023 (the Allotment Date) to the later of the time immediately following the resignation from the position of Director of the Company or the time of arrival of July 1, 2024.

(2) Conditions for lifting transfer restrictions

The Company shall lift the transfer restrictions for all allotted shares as Performance-linked Restricted Stock (hereinafter in Item II., the “Allotted Shares”) upon the expiration of the transfer restriction period, provided that the Eligible Director has continuously held a position of Director of the Company during the Service Period and the Company achieves more than 8.5% of consolidated return on equity of the Company’s 96<sup>th</sup> fiscal year (fiscal year ended March 2024) described in the Annual Securities Report for such fiscal year (hereinafter the “Performance Goal”).

(3) Treatment in cases in which the Eligible Director resigns due to expiry of term of office, death, or other justifiable reasons during the Service Period

(i) Timing of lifting transfer restrictions

In the event that the Eligible Director resigns from the position of Director of the Company due to the expiry of term of office, death or other justifiable reason during the Service Period [(only after the last day of the Company’s 96<sup>th</sup> fiscal year)], the transfer restrictions on such Eligible Director’s Allotted Shares shall be lifted at the later of the time immediately after the resignation or the time of arrival of July 1, 2024, on the condition that the Company achieves the Performance Goal; provided however, that in the event that any Eligible Director resigns from the above position due to death by the time immediately before July 1, 2024, the Company shall, by right, acquire without contribution all of the Allotted Shares held by the Eligible Director at the time of such resignation.

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

The number of the Allotted Shares of the Eligible Director for which transfer restrictions are to be lifted shall be calculated by taking the number of months from the month including the Allotment Resolution Date to the month including the date of the resignation divided by the number of months (12) in the Service Period (and if that number exceeds one (1), it shall be one (1)), and then multiplying that resultant quotient by the number of Allotted Shares held at the time of the resignation (provided, however, any fraction of less than one (1) share resulting from this calculation shall be rounded down).

(4) Acquisition without contribution by the Company

Upon the expiration of the transfer restriction period or at the time of lifting of transfer restrictions described in (3) above, the Company shall, by right, acquire without contribution the Allotted Shares on which the transfer restriction has not been lifted.

(5) Holding of Allotted Shares

The Allotted Shares shall be held in dedicated accounts at Nomura Securities Co., Ltd. opened by each of the Eligible Directors to ensure it will not be possible to transfer, create any security interest on, or otherwise dispose of the shares during the transfer restriction period. The Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the accounts in which the Allotted Shares are to be held by each of the Eligible Directors to ensure the effectiveness of the transfer restrictions, etc. relating to the Allotted Shares. In addition, the Eligible Directors have agreed to the terms and conditions applicable to such accounts.

(6) Treatment upon Reorganization, etc.

If a proposal for Reorganization, etc. has been approved at the General Meeting of Shareholders of the Company (or at the Company's Board of Directors if approval therefor at the General Meeting of Shareholders is not required) during the transfer restriction period, the transfer restrictions of all of the Allotted Shares shall be lifted on the condition that the Company achieves the Performance Goal, based on the resolution of the Board of Directors, upon the time immediately before the preceding business day of the effective date of the Reorganization, etc. In addition, at the time immediately after the transfer restriction is lifted, the Company shall, by right, acquire without contribution all of the Allotted Shares on which the transfer restriction has not been lifted.

Notwithstanding the above, if the time immediately before the business day preceding the effective date of the Reorganization, etc. is until the time of arrival of July 1, 2024, the Company shall, by right, acquire without contribution all of the Allotted Shares held at such time.

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