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## For Immediate Release

### **Ryoyo Ryosan Holdings, Inc.**

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Listing: Prime Market, Tokyo Stock Exchange

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## **Notice Concerning Introduction of Transfer-restricted-share Remuneration System**

At today's meeting of its Board of Directors, Ryoyo Ryosan Holdings, Inc. (hereinafter "the Company") reviewed its system for remuneration of officers and resolved to submit a proposal for the introduction of a transfer-restricted-share remuneration system (hereinafter "the System"), as summarized in section 2 below, to the Company's inaugural Ordinary General Shareholders' Meeting scheduled for June 26, 2025 (hereinafter "the Shareholders' Meeting").

The above resolution at the Board of Directors meeting was tabled in due consideration of the deliberation results of the Nomination and Remuneration Committee, a voluntary, advisory body, a majority of whose members are independent outside directors.

### **1. Purpose and Conditions of Introduction of the System**

#### **(1) Purpose**

The System is introduced to provide directors of the Company (not including directors and outside directors who are Audit and Supervisory Committee members; hereinafter directors who are subject to the System are referred to as "the Subject Directors") with incentives to improve continuously the enterprise value of the Company and to advance still further the sharing of value with shareholders.

#### **(2) Conditions**

The System provides for the payment of remuneration to the Subject Directors by means of pecuniary remuneration bonds, to be used for provision of transfer-restricted shares to the Subject Directors. Accordingly, the introduction of the System is conditional upon its approval by shareholders at the Shareholders' Meeting.

With respect to stock remuneration of the Subject Directors, Article 35, Item 3 of "Chapter 7 Supplementary Provisions" of the Articles of Incorporation of the Company provides that, during the period leading to the time of conclusion of the Shareholders' Meeting, the Subject Directors be paid pecuniary remuneration bonds in an amount not exceeding ¥2 million per year, separate from the amount of ordinary pecuniary remuneration, as a property contributed in kind for the grant of transfer-restricted shares; the total number of common shares issued or disposed of in accordance with the system shall not exceed 200,000 shares per year; and, the transfer-restricted period shall be the period from the date of provision of the transfer-restricted shares to the date of resignation or retirement of the Subject Directors from their positions as directors of the Company or such other positions as are specified by the Board of Directors. Because the said Supplementary Provision described above shall expire upon the conclusion of the Shareholders' Meeting, the System is to be introduced as described in section 2 below. The shareholders will be asked to approve the establishment of remuneration limit in the System for the Subject Directors of the Company.

### **2. Overview of the System**

The Subject Directors will pay to the Company the full amount of the pecuniary remuneration bonds provided by the Company under the System as a property contributed in kind, and they shall receive issuance or disposal of common shares of the Company.

The full amount of the pecuniary remuneration bonds paid to the Subject Directors shall be an amount not exceeding ¥2 million per year, separate from the amount of ordinary pecuniary remuneration, while the total number of common shares issued or disposed of in accordance with the System shall not exceed 200,000 shares

per year (in cases where the total number of shares issued by the Company must unavoidably be adjusted, such as splits or mergers of common shares, the number of common shares issued or disposed of shall be adjusted in a reasonable manner).

One of the purposes of the System is to achieve sharing of shareholder value over the medium-to-long-term. To achieve this goal, the transfer-restricted period shall be the period from the date of provision of the transfer-restricted shares to the date of resignation or retirement of the Subject Directors from their positions as directors of the Company or such other positions as are specified by the Board of Directors. The specific timing and allocation of payment to each of the Subject Directors shall be determined by resolution of the Board of Directors following deliberation by the Nomination and Remuneration Committee.

The amount of payment per common share of the Company issued or disposed of in accordance with the System shall be decided by the Board of Directors within a range that is not unduly advantageous to the Subject Directors, based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day before the day of the meeting of the Board of Directors at which the requirements for subscription to the common shares are resolved (or, if no transactions are concluded on that date, the most recent prior transaction date).

On the issuance or disposal of common shares of the Company in accordance with the System, the Company and the Subject Directors shall conclude an agreement on allocation of transfer-restricted shares (hereinafter “the Allocation Agreement”), which will include the following provisions:

- 1) The Subject Directors may not transfer, set security interests on, or otherwise dispose of the common shares of the Company received by allocation in accordance with the Allocation Agreement during the predetermined period.
- 2) Under certain circumstances, the Company reserves the right to acquire the common shares at no cost.

3. Application to Executive Officers of the Company and Directors and Executive Officers of Wholly Owned Subsidiaries of the Company, etc.

Subject to approval at the Shareholders' Meeting of introduction of the System, the Company expects further to introduce a transfer-restricted-share grant system for executive officers of the Company and directors and executive officers of wholly owned subsidiaries of the Company, etc. that is similar to the System.