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May 30, 2025

Company name: Scroll Corporation
Name of representative: Tomohisa Tsurumi, Representative Director and President
(Ticker symbol: 8005; TSE Prime)
Inquiries: Yasunori Sugimoto, Director and General Manager of Corporate Management Department
(Telephone: +81-53-464-1114)

Notice Regarding Issuance of New Shares as Restricted Stock Incentive for the Employee Shareholding Association

Scroll Corporation ("the Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on May 30, 2025, to issuance of new shares as Restricted Stock (the "Issuance of New Shares") under the Restricted Stock Incentive Scheme for the Employee Shareholding Association (the "Plan"), with the Scroll Employee Shareholding Association (the "ESA") as the allottee, as described below.

1. Outline of the Issuance of New Shares

(1) Payment date	June 30, 2025
(2) Class and number of shares to be issued	57,600 shares of common stock of the Company (Note)
(3) Issue price	1,051 yen per share
(4) Total issue amount	60,537,600 yen (Note)
(5) Issuance Method (Scheduled allottee)	By way of third-party allotment (The ESA 57,600 shares)
(6) Other	Since the Issuance of New Shares falls under the category of an offering of securities that does not require notification of an offering or secondary offering as stipulated in Article 2-12, Item 1 of the Enforcement Order of the Financial Instruments and Exchange Law, submission of a securities registration statement is not required.

(Note) The "number of shares to be issued" and "total issue amount" are calculated on the assumption that the shares will be granted as Restricted Stock to 377 employees of the Company and its subsidiary Scroll360 Corporation ("the Company and others"), the maximum number of employees to whom this scheme may apply. The number of shares actually issued of and the total amount of shares issued of will be determined according to the number of employees of the Company and others who agree to the Scheme (the "Eligible Employees") (up to 377) and the number of shares granted per employee stipulated according to the employee grade determined by the Company and others, after the completion of the promotion of membership to those not yet members of the ESA and the confirmation of consent to the Scheme to members of the ESA.

Chief of unit, chief of team, task specialist: up to 83 (300 shares per person); leaders: up to 33 (200 shares per person); general staff (including senior staff and partner employees. Same hereinafter.): maximum 261 (100 shares per person).

2. Purpose and Reason for Issuance of New Shares

The Board of Directors of the Company resolved at its meeting held on May 30, 2025, to introduce the Plan to the Eligible Employees of the Company and others, excluding certain employees who are members of the ESA, as a measure to promote the welfare of the Eligible Employees.

The purpose is to help the Eligible Employees build their wealth by creating opportunities for them to acquire shares of the Company's common stock issued of by the Company through the ESA as Restricted Stock and to provide the Eligible Employees with an incentive to sustainably increase the Group's corporate value, as well as to promote further value sharing by the Eligible Employees with the Company's shareholders.

The outline of the Plan, etc. is as follows.

Outline of the Plan, etc.

Under the Plan, the Company and others will grant the Eligible Employees a monetary claim (the "Special Incentive") as the Special Incentive to be granted as Restricted Stock to the Eligible Employees. The Eligible Employees are to contribute the Special Incentive to the ESA. The ESA will then contribute the Special Incentive Contributions made by the Eligible Employees to the Company in kind, thereby issuing of the Company's common stock as Restricted Stock.

In the event that the Company's common stock are issued of under the Plan, the amount to be paid per share of such common stock shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of each of the Board of Directors' resolution relating to such issuance (or, if no trading was effected on that date, the closing price on the immediately preceding trading day), to the extent that such amount is not particularly favorable to the ESA (and thus to the Eligible Employees).

In issuing of the Company's common stock under the Plan, the Company and the ESA will enter into the Restricted Stock Allotment Agreement, the contents of which include (i) a prohibition on the transfer, creation of security interests or other disposal of the allotted shares to third parties for a certain period (the "Transfer Restrictions") (ii) In the event of the occurrence of certain events, the shares allocated will be acquired by the Company free of charge. The payment of the Special Incentive to the Eligible Employees will be subject to the conclusion of the Restricted Stock Allotment Agreement between the Company and the ESA.

Until the Transfer Restrictions are lifted, the Eligible Employees will be restricted from withdrawing their membership interests held by the Eligible Employees in the allocated shares that they will hold in proportion to the monetary claims they have contributed to the ESA, in accordance with the ESA's Articles of Association and the ESA's Operating Bylaws, etc. (the "ESA Rules") (Note).

Under the Plan, the ESA, the allottee, will issue of the Company's common stock (the "Allotted Shares") to the ESA by paying all of the Special Incentive Contributions contributed by the Eligible Employees as assets contributed in kind. The Restricted Stock Allotment Agreement (the "Allotment Agreement") to be entered into between the Company and the ESA in the Issuance of New Shares is described in "3. Outline of the Allotment Agreement" below. The number of shares to be issued of under the Issuance of New Shares will be determined at a later date as described in Note 1 above, but will be 57,600 shares if all 377 the Eligible Employees of the Company and others, the maximum number of persons to whom the Plan could apply, join the ESA and agree to the Plan. Assuming such number of shares issued of, the dilution size of the shares in the Issuance of New Shares is 0.17% (rounded to two decimal places, same hereinafter in percentage calculations) of the total number of shares issued as at March 31, 2025 (34,415,000 shares) and 0.17% of the total number of voting rights as at March 31, 2025 (343,480 voting rights).

The number of shares issued of and the dilution size of the shares in the Issuance of New Shares are reasonable in light of the purpose of the introduction of the Plan and, based on the dilution size, the impact on the market is considered to be negligible.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

From June 30, 2025, to June 1, 2028

(2) Conditions for cancellation of the Transfer Restrictions

Subject to the Eligible Employee's continued membership of the ESA during the transfer restriction period, the Transfer Restrictions shall be lifted upon the expiry of the transfer restriction period for all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by the Eligible Employee who has fulfilled the said condition.

(3) Treatment of withdrawal from the ESA

If the Eligible Employee resigns from the ESA during the transfer restriction period due to death, retirement or other legitimate reasons, the Company shall, with respect to all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by the Eligible Employee on the date the ESA accepts the Eligible Employee's application for resignation (in the case of loss of membership, the date of such loss (or death in the case of withdrawal due to death), hereinafter the "date of receipt of withdrawal application"), as of the date of receipt of withdrawal application, lift the Transfer Restrictions.

(4) Treatment of cases where a person becomes a non-resident

If a decision is made by the Company and others to the effect that the Eligible Employee will become a non-resident due to an overseas transfer or otherwise during the transfer restriction period, with respect to all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by the Eligible

Employee as of the date on which such decision is made (hereinafter referred to as the "date of decision on overseas transfer, etc."), the Transfer Restrictions shall be lifted on the date of decision on overseas transfer, etc.

(5) Acquisition by the Company without consideration

If the Eligible Employee commits a violation of the law during the transfer restriction period, or if certain other events stipulated in the Allotment Agreement occur, the Company shall naturally acquire all of the Allotted Shares free of charge in the number corresponding to the Restricted Stock Interests held by the Eligible Employee as of the relevant point in time. In addition, if the Transfer Restrictions are lifted at the expiry of the transfer restriction period or in accordance with (3) or (4) above, the Company shall naturally acquire without charge the Allotted Shares which have not been lifted the Transfer Restrictions for the Eligible Employee immediately after the time of such cancellation.

(6) Stock management

The Allotted Shares shall be managed by the ESA in a dedicated account opened by the ESA with Nomura Securities Co., Ltd. during the transfer restriction period so that the Allotted Shares may not be transferred, pledged or otherwise disposed of during the transfer restriction period. In addition, the ESA shall register and manage the Restricted Stock Interests separately from other member interests held by the Eligible Employee (the "Ordinary Equity Interests") in accordance with the provisions of the ESA Rules.

(7) Treatment in organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement under which the Company becomes a defunct company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary or a share transfer plan or other matters relating to reorganization are approved by the General Meeting of Shareholders of the Company (however, if approval by the General Meeting of Shareholders of the Company is not required in respect of such reorganization, the Board of Directors of the Company), by the Board of Directors' resolution, within the Allotted Shares held by the ESA on the date of such approval, with respect to all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by the Eligible Employee, the Transfer Restrictions shall be lifted, as of the business day immediately preceding the effective date of the reorganization.

4. Basis and specifics of the calculation of the issue price

The Issuance of New Shares to the ESA, which is the allottee, will be carried out by the Eligible Employees contributing to the ESA using the Special Incentive Grant, which was paid to the Eligible Employees for the grant of Restricted Stock, as the investment asset. In order to ensure that the amount of the issuance is not arbitrary, the amount is set at 1,051 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on May 29, 2025 (the business day preceding the date of the Board of Directors' resolution). This is the market share price immediately before the date of the Board of Directors' resolution and is considered to be reasonable and not a particularly advantageous amount.

The deviation (rounded to two decimal places) of the closing price of 1,051 yen for the Company's common stock on the Prime Market of the Tokyo Stock Exchange on May 29, 2025, from the average closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange is as follows.

Term	Average closing price (less than 1 yen is rounded down)	Deviation ratio
1 month (April 30, 2025 - May 29, 2025)	1,042 yen	0.86%
3 months (February 28, 2025 - May 29, 2025)	1,021 yen	2.94%
6 months (November 30, 2025 - May 29, 2025)	1,041 yen	0.96%

5. Matters relating to procedures under the Code of Business Conduct

As the Issuance of New Shares (i) has a dilution ratio of less than 25% and (ii) does not involve a change in controlling shareholder, it is not necessary to obtain an opinion from an independent third party or go through the procedures for confirming the intention of shareholders as stipulated in Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

(Reference)

How the System Works

- (i) The Company or its subsidiaries will provide the Eligible Employees who agree to the Plan with monetary credits as a special incentive for the grant of Restricted Stock.
- (ii) The Eligible Employees who agree to the Plan will contribute the monetary claims described in (i) above to the ESA.
- (iii) The ESA will collect the monetary claims contributed under (ii) above and pay them to the Company.
- (iv) The Company allocates the Allotted Shares to the ESA as Restricted Stock. ("RS" in the diagram below).
- (v) The Allotted Shares will be deposited in a dedicated account opened by the ESA through Nomura Securities Co., Ltd. and withdrawals will be restricted during the transfer restriction period.
- (vi) The Allotted Shares will be transferred to the Ordinary Equity Interests or securities account in the name of the Eligible Employees after the termination of the Transfer Restrictions.

