



July 17, 2025

To Whom It May Concern:

Company name: SAN HOLDINGS, INC.
 Representative name: Satoshi Harishima, President and
 Representative Director
 (Securities code: 9628, Prime Market, Tokyo Stock Exchange)
 Inquiries: Yoshiyuki Yokota, Director, Executive Officer, General
 Manager of Corporate Planning Department
 (Tel: +81-6-6226-0038)

Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation

SAN HOLDINGS, INC. hereby announces that, at the meeting of its Board of Directors held today, it has resolved to dispose of treasury shares as restricted stock compensation (hereinafter referred to as the "Disposal of Treasury Shares") as described below.

Details

1. Outline of the Disposal

(1)	Disposal date	August 8, 2025
(2)	Class and number of shares to be disposed	137,200 shares of the Company's common stock
(3)	Disposal price	1,576 yen per share
(4)	Total value of shares to be disposed	216,227,200 yen
(5)	Planned allottees	<p>Directors of the Company (*1): 4, 93,700 shares Executive Officers of the Company: 6, 17,300 shares Directors of the Company's subsidiaries (*2): 5, 14,000 shares Executive Officers of the Company's subsidiaries (*3): 7, 12,200 shares</p> <p>(*1) Excludes Outside Directors. (*2) Excludes individuals who also serve as Directors or Executive Officers of the Company and receive monetary compensation claims. (*3) Excludes individuals who also serve as Directors or Executive Officers of the Company, or as Directors of the Company's subsidiaries, and receive monetary compensation claims.</p>

2. Purposes and Reasons of the Disposal

At the Board of Directors meeting held on May 9, 2019, the Company resolved to introduce a restricted stock compensation system (hereinafter referred to as the "Stock Compensation System") for the Company's Directors (excluding Outside Directors, hereinafter referred to as the "Eligible Directors"), and the purpose of the Stock Compensation System is for the Eligible Directors to share the benefits and

risks of stock price fluctuations with the Company's shareholders and to further enhance their motivation to contribute to an increase in the stock price and the enhancement of corporate value. Furthermore, at the 90th Ordinary General Meeting of Shareholders held on June 25, 2019, it was approved that, under the Stock Compensation System, the total amount of monetary compensation claims to be granted to the Eligible Directors as compensation related to restricted stock shall not exceed 100 million yen per year, and that the total number of restricted shares to be allotted to the Eligible Directors for each fiscal year shall be capped at 320,000 shares.

(*1 The Company conducted stock splits at a ratio of 2 shares for every 1 share on October 1, 2019, and again on October 1, 2023, so the maximum number of shares has been adjusted to reflect these splits)

In addition, at the Board of Directors meeting held on May 8, 2025, the Company resolved to increase the proportion of stock-based compensation in order to further enhance the linkage between stock compensation, share price growth, and corporate value enhancement, and subsequently, at the 96th Ordinary General Meeting of Shareholders held on June 25, 2025, shareholders approved the revision of the maximum total monetary claims to be granted as compensation for restricted stock for Eligible Directors from "up to 100 million yen per year" to "up to 300 million yen per year," and the maximum number of restricted stock to be allocated to Eligible Directors in each fiscal year from "up to 320,000 shares" to "up to 960,000 shares."

The outline of the Stock Compensation System is as follows.

[Outline of the Stock Compensation System]

The System was introduced as a compensation system that allocates restricted stock to the Eligible Directors in order to allow them to share both the benefits and risks of stock price fluctuations, and to further enhance their motivation to contribute to stock price appreciation and the enhancement of corporate value.

Under the Stock Compensation System, the Eligible Directors, in principle, each year make payment in kind by contributing the entire monetary compensation claims granted by the Company, based on a resolution of the Board of Directors, and in return receive newly issued or disposed shares of the Company's common stock.

In addition, under the Stock Compensation System, the total number of shares of common stock to be issued or disposed of by the Company to the Eligible Directors shall not exceed 960,000 shares per year. The issuance or disposal price 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 immediately preceding the date of the Board resolution (or, if no trade was executed on that date, the closing price on the most recent trading day prior to that date), and shall not result in a price particularly favorable to the Eligible Directors who subscribe to the Company's shares under the Stock Compensation System.

Furthermore, upon the issuance or disposal of the Company's common stock under the Stock Compensation System, the Company and the Eligible Directors shall enter into an agreement for the allotment of restricted shares (hereinafter referred to as the "Allotment Agreement"), which shall generally include the terms outlined below, including, (1) Eligible Directors shall not transfer, pledge, or otherwise dispose of the common stock of the Company allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") for a certain period of time; and (2) The Company shall acquire such common stock without compensation if certain events occur.

In addition, the Company has introduced a restricted stock compensation system similar to the Stock Compensation System (together with this system, hereinafter referred to as the "System") for the Company's Executive Officers as well as Directors and Executive Officers of the Company's

subsidiaries.

The Disposal of Treasury Shares is being carried out as part of the System and is intended for the Company's Eligible Directors and Executive Officers, as well as the Directors and Executive Officers of the Company's subsidiaries (hereinafter collectively referred to as the "Eligible Directors, etc.").

This time, in accordance with the System, the Company has resolved to allot 137,200 shares of the Company's common stock as restricted stock to the Eligible Directors and Officers by having them contribute the entire amount of their monetary compensation claims through in-kind contribution. The amount of monetary compensation claims for the Eligible Directors, etc. is determined comprehensively, taking into account various factors such as the level of contribution of each Eligible Director, etc. to the Company and its subsidiaries.

3. Overview of the Allotment Agreement

(1) Transfer Restriction Period

The period from August 8, 2025, until the date when the Eligible Directors, etc. resign or retire from their positions as Directors, Executive Officers, or any other positions specified by the Company's Board of Directors.

During the transfer restriction period stipulated above (hereinafter referred to as the "Transfer Restriction Period"), the Eligible Directors, etc. shall not transfer, pledge, set security interests, transfer as collateral, make inter vivos gifts, bequests, or perform any other acts of disposal regarding the restricted shares allocated to them (hereinafter referred to as the "Allotted Shares") to any third party (hereinafter referred to as the "Transfer Restriction").

(2) Acquisition of Restricted Stock Without Compensation

If an Eligible Director, etc., resigns or retires from their position as a Director, Executive Officer, or any other position designated by the Company's Board of Directors after the start date of the Transfer Restriction Period and before the day preceding the first Ordinary General Meeting of Shareholders of the Company to be held thereafter (or, if the Eligible Director, etc. is a Director or Executive Officer of a subsidiary of the Company, before the day preceding the first Ordinary General Meeting of Shareholders of that subsidiary after the start date of the Transfer Restriction Period), then, except in cases where the Company's Board of Directors recognizes a justifiable reason, the Company shall automatically acquire the Allotted Shares without compensation as of the time of such resignation or retirement.

Furthermore, if there are any of the Allotted Shares for which the Transfer Restrictions have not been lifted at the time the Transfer Restriction Period expires (hereinafter referred to as the "Expiration Date") based on the provisions of the Transfer Restriction release conditions described in item (3) below, the Company shall, immediately after the Expiration Date, automatically acquire such shares without compensation.

(3) Lifting of Transfer Restrictions

The Company shall lift the transfer restrictions on all of the Allotted Shares held by the Eligible Director, etc., at the time the Transfer Restriction Period expires, on the condition that the Eligible Director, etc. has continuously held a position as a Director, Executive Officer, or any other position designated by the Company's Board of Directors from the start date of the Transfer Restriction Period until the date of the first Ordinary General Meeting of Shareholders of the Company to be held thereafter (or, if the Eligible Director, etc. is a Director or Executive Officer of a subsidiary of the

Company, until the date of the first Ordinary General Meeting of Shareholders of that subsidiary to be held thereafter). However, if the Eligible Director, etc. resigns or retires from any position as a Director, Executive Officer, or other position designated by the Company's Board of Directors between the start date of the Transfer Restriction Period and the day before the first Ordinary General Meeting of Shareholders of the Company to be held thereafter (or, if the Eligible Director, etc. is a Director or Executive Officer of a subsidiary of the Company, between the start date of the Transfer Restriction Period and the day before the first Ordinary General Meeting of Shareholders of that subsidiary to be held thereafter), for reasons deemed legitimate by the Company's Board of Directors, then the transfer restrictions on the number of Restricted Shares calculated by multiplying the number of months from July 2025 (including the month of resignation or retirement) divided by 17 by the number of Restricted Shares held at that time (fractions less than one share resulting from the calculation shall be rounded down) shall be lifted immediately after such resignation or retirement.

(4) Provisions Regarding the Management of Shares

The Eligible Directors, etc. shall open an account at SMBC Nikko Securities Inc. by the method designated by the Company, in which the Allotted Shares will be registered or recorded, and shall keep and maintain the Allotted Shares in that account until the Transfer Restrictions are lifted.

(5) Treatment in the Event of Organizational Restructuring, etc.

During the Transfer Restriction Period, if a proposal concerning a merger agreement under which the Company becomes the disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other corporate restructuring, etc., is approved at the Company's general shareholders' meeting (provided, however, that if approval by the general shareholders' meeting is not required for such corporate restructuring, etc., the approval by the Company's Board of Directors shall apply) (only when the effective date of such corporate restructuring, etc., occurs before the Expiration Date of the Transfer Restriction Period; hereinafter referred to as the "Approval of Corporate Restructuring, etc."), and in conjunction with such corporate restructuring, etc., if the eligible director, executive officer, or any other position defined by the Company's Board of Directors resigns or retires from all such positions, then by resolution of the Company's Board of Directors, the number of months from July 2025 through the month including the date of such approval shall be divided by 17 (provided, however, that if the result of this calculation exceeds 1, it shall be deemed as 1), and this fraction shall be multiplied by the number of restricted shares held by the Eligible Directors, etc. on the date of such approval (any fraction less than one share resulting from this calculation shall be rounded down). The Transfer Restrictions related to the resulting number of restricted shares shall be lifted immediately before the business day preceding the effective date of such corporate restructuring, etc.

Additionally, upon approval of organizational restructuring or similar events, the Company shall, as of the business day prior to the effective date of such restructuring, automatically acquire without compensation all Allotted Shares for which the Transfer Restrictions have not been lifted as of that date.

4. Basis of Calculation and Specific Details for the Payment Amount

Regarding the disposal price of the Disposal of Treasury Shares, in order to eliminate arbitrariness, the price has been set at 1,576 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the resolution of the Board of Directors (July 16, 2025). This is the market price of the Company's stock immediately prior to the date

of the Board of Directors' resolution, and we consider it to be reasonable and not particularly advantageous.