

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



July 31, 2025

Company name: DAISUE CONSTRUCTION CO., LTD.
Name of Representative: Kazunori Murao,
President and Representative Director
(Security code: 1814; TSE Prime Market)
Contact: Masahito Ishimaru, Executive Officer
General Manager of Corporate Planning Department
(TEL: +81-6-6121-7127)

Notice Concerning Disposal of Treasury Shares under "Performance-Linked Stock Remuneration Plan"

DAISUE CONSTRUCTION CO., LTD. (the "Company") hereby announces that at the meeting of the Board of Directors held today, the Company resolved to dispose treasury shares (hereinafter referred to as the "Treasury Shares Disposal") under the Performance-Linked Stock Remuneration Plan (Performance Share Unit Plan, hereinafter referred to as the "Plan") as follows. The number of units for delivery of shares (one unit per one share) has not changed since the timely disclosure on June 30, 2025 "Notice Concerning Grant of Share Delivery Units under Performance-Linked Stock Remuneration Plan".

1. Outline of the Disposal

(1) Payment Date	August 28, 2025
(2) Class and Number of Shares to be Disposed	96,388 Ordinary Shares of the Company
(3) Disposal Amount	2,344 yen per share
(4) Total disposal Amount	225,933,472 yen
(5) Planned Recipient	4 Directors of the Company 5 Executive Officers who do not concurrently serve as directors of the Company 1 director * of a subsidiary of the Company (Note) A person eligible for the plan who left the Board of Directors of the Company as of March 31, 2024 and were appointed as a Director of the Company's subsidiary on April 1, 2024.

2. Purpose and Reasons for the Disposal

Since 2022, the Company has introduced a plan to grant the Company's shares according to the rank and degree of attainment of performance evaluation goals, etc., to further clarify the link between the remuneration for Directors and Executive Officers (excluding Outside Directors and Directors who are members of the Audit and Supervisory Committee, hereinafter referred to as "Directors, etc.") and the Company's business performance and the shareholder value, and enhancing awareness of contributing to the medium- to long- term business performance and improvement of corporate value. The period covered by the Plan expired in March 2025, and share delivery units were granted to the eligible directors, etc. as announced on the timely disclosure dated June 30, 2025. The Disposal of treasury shares will be conducted based on a resolution of the Board of Directors meeting held today to deliver the Company's ordinary shares to the eligible Directors, etc.

The Plan provides the eligible Directors, etc. with monetary remuneration claim amount calculated by multiplying the share delivery units by the paid-in amount per share, and the Company ordinary shares is granted by having all of such monetary remuneration claim contributed in kind.

< About the Plan >

i) Overview of the Plan

A performance-linked stock remuneration plan grants the Company's ordinary shares as remuneration for the period of execution of duties corresponding to three consecutive fiscal years (from April 2022 to March 2025) from introduction of the plan, in the number calculated according to the degree of attainment of performance evaluation goals, etc. The monetary remuneration claims and the Company's ordinary shares to the eligible Directors, etc. will be granted after the completion of the period of execution of duties. Whether these will be granted and delivered, as well as the amount of the monetary remuneration claims and the number of shares, has not been determined at the time of the introduction of the Plan.

ii) Requirements

Upon completion of the period of execution of duties and fulfilment of the following requirements, the Company's ordinary shares will be delivered to the eligible Directors, etc. by providing monetary remuneration claims to the eligible Directors, etc. and having them make a contribution in kind of all such claims. The delivery of the Company's ordinary shares will be made through the disposal of treasury shares. The delivery of the Company's ordinary shares to the eligible Directors, etc. and the disposal of treasury shares will be resolved at the Board of Directors meeting after the expiration of the period of execution of duties.

- a. The market capitalization of tradable shares shall exceed 10 billion yen. The figure is obtained by multiplying the number of tradable shares as of the last day of March 2025 by the average of the daily closing prices at Tokyo Stock Exchange for the three months from January to March 2025.
- b. The Company shall maintain its listing on the Prime Market of the Tokyo Stock Exchange as of the end of June 2025, and shall not be designated to transfer its listing to another market.

iii) Maximum Number of Shares Pertaining to the Plan:

The total number of the Company's ordinary shares received by eligible Directors, etc. for the period of execution of duties shall not exceed 64,000 shares for Directors and 57,000 shares for Executive Officers. If the total number of the Company's ordinary shares to be disposed under the plan needs to be adjusted, such as in the event of a split (including allotment of shares without contribution) or consolidation during the period, such total number will be adjusted to a reasonable extent

iv) The Calculation Formula for the Number of the Company's Shares to be Delivered

The Board of Directors will determine the number of Company's ordinary shares to be delivered to each Eligible Director after the period of execution of duties (hereinafter referred to as "Share Delivery Units"). One unit equivalents to one share and the number of units will be determined by multiplying the standard units by the performance linked factor. Standard units have been determined by the Board of Directors according to rank and the term of office. The performance linked factor is calculated by dividing the Company's Total Shareholder Return (TSR) from March 31, 2022 to March 31, 2025 by the growth rate of the stock index of the Tokyo Stock Exchange (hereinafter referred to as "TOPIX") for the same period. The upper limit of the performance linked Factor is 120%, and the upper limit of the total number of share delivery units is 64,000 units for Directors and 57,000 units for Executive Officers.

The calculation will be made in accordance with the following formula. If the total number of the Company's ordinary shares to be disposed under the plan needs to be adjusted, such as in the event of a split (including allotment of shares without contribution) or consolidation during the period, such total number will be adjusted to a reasonable extent

(Calculation Formula)

Share delivery unit = Accumulated standard unit × Performance-linked factor (*)

(*) Performance-linked factor is calculated according to the following formula.

Performance-linked factor = The Company TSR / TOPIX growth rate

The Company TSR = (B+C) / A

Growth rate of TOPIX = E / D

A: Closing price of the Company's ordinary shares on the Tokyo Stock Exchange on March 31, 2022

B: Closing price of the Company's ordinary shares on the Tokyo Stock Exchange on March 31, 2025

C: Total amount of dividend from surplus per share from Fiscal Year 2022 to Fiscal Year 2024

D: Closing price of TOPIX (including dividends) on March 31, 2022

E: Closing price of TOPIX (including dividends) on March 31, 2025

v) Paid-in Amount per Share

The paid-in amount per the Company's ordinary share to be granted under the plan will be resolved by the Board of Directors. The paid in amount will use the closing price of the Company's ordinary shares on the Tokyo Stock Exchange as of one business day before the resolution on grant of shares by the Board of Directors. In the event that no transaction is executed on that day, the closing price from the immediately preceding trading day will be used instead. The amount of monetary remuneration claims to be paid to the eligible Directors, etc. shall be calculated according to the following formula.

(Calculation Formula)

Amount of monetary remuneration claim = Share delivery unit × Paid-in amount per share

vi) Period of Share Delivery

The shares will be delivered within two months of the vesting date after the period of execution of duties.

The vesting date is June 30, 2025 when the payment conditions are fixed.

< Restricted Stock Allotment Agreement >

The Company will execute a restricted stock allotment agreement including the following with the eligible Directors, etc. who are the expected recipients:

i) Transfer Restriction Period

Transfer of the allotted shares by the eligible Directors, etc. is strictly prohibited during the period from August 28, 2025 to the date of submission of the Company's Semiannual Securities Report for FY2025 (hereinafter referred to as "Transfer Restrictions").

ii) Removal of Transfer Restrictions

The Transfer Restrictions will be removed once the above transfer restriction period has expired. However, the Company's insider trading rules will apply thereafter.

< Method of Managing Allotted Shares >

Each eligible Directors, etc. will open an account with a designated securities company in which to record the allotted shares. The allotted shares will be segregated and maintained in the account in the manner prescribed by the Company until the removal of the Transfer Restrictions.

3. Basis for Calculation of the Paid-in Amount and Details Thereof

To eliminate price arbitrariness, the paid-in amount per was set at 2,344 yen, the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on July 30, 2025, one business day before the date of the Board of Directors, where the disposal of treasury shares was resolved. This is the market stock price immediately before the date of resolution of the Board of Directors of the Company. The amount is considered reasonable and not particularly favorable to the recipients.