

August 8, 2025

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Notice Regarding Establishment of Share Benefit Regulations for Directors and Employees in connection with Introduction of Stock Compensation Plans (BBT and J-ESOP) and Disposal of Treasury Shares through Third-Party Allotment

SUNCORPORATION (the “Company”) hereby announces that it resolved at a meeting of the Board of Directors held on August 8, 2025, to establish the Share Benefit Regulations for Directors and Employees and to dispose of treasury shares through a third-party allotment as described below.

The Disposal of Treasury Shares will be conducted formally to Custody Bank of Japan, Ltd., (Trust Account E) as the allottee, the re-trustee who has been re-entrusted by the trustee of the trust established under the trust agreement concluded with Mizuho Trust & Banking Co., Ltd, which concerns the Stock Compensation Plan. However, it is substantially the same as the case where shares are allotted to directors (excluding directors who are Audit and Supervisory Committee members and including outside directors) and executive officers (hereinafter collectively referred to as "Directors, etc.") and employees of the Company as consideration for the provision of services to the Company.

Please refer to the news release “Notice Regarding the Introduction of a Stock Compensation Plan” dated May 15, 2025, for more detail.

1 . Establishment of Share Benefit Regulations for Directors

Based on the report of the Nomination and Compensation Committee, composed mainly of independent outside directors, the Board of Directors of the Company resolved at its meeting held on August 8, 2025, to establish the Share Benefit Regulations for Directors.

The Company grants a fixed number of points to directors for each fiscal year in consideration of their duties and other factors, in accordance with the Share Benefit Regulations for Directors.

The points granted to directors are converted into one share of the Company's common stock per point when they receive the Company's shares and a cash payment equivalent to the amount of the Company's shares converted at market value.

However, in the event of a stock split, gratis allotment of shares, or reverse stock split of the Company's shares, the maximum number of points and the number of points already granted or the conversion ratio shall be reasonably adjusted in accordance with the ratio, etc.

The Company shares allocated to Custody Bank of Japan, Ltd. (Trust E Account) as a result of this disposal of treasury shares will be held by Custody Bank of Japan, Ltd. (Trust E Account) until the Directors receive their benefits, and even Directors who have been granted points may not transfer or otherwise dispose of the Company shares corresponding to their points until they receive their benefits.

2. Overview of the J-ESOP and Establishment of Share Benefit Regulations for Employees

The J-ESOP plan is a trust-type scheme based on the Employee Stock Ownership Plan (J-ESOP) in the U.S., under which the Company's shares etc. are provided to employees who meet certain requirements in accordance with the Share Benefit Regulations for Employees.

It is expected that the introduction of the J-ESOP plan will increase employees' interest in improving the Company's stock price and business performance and contribute to their more motivated efforts in their work than ever before.

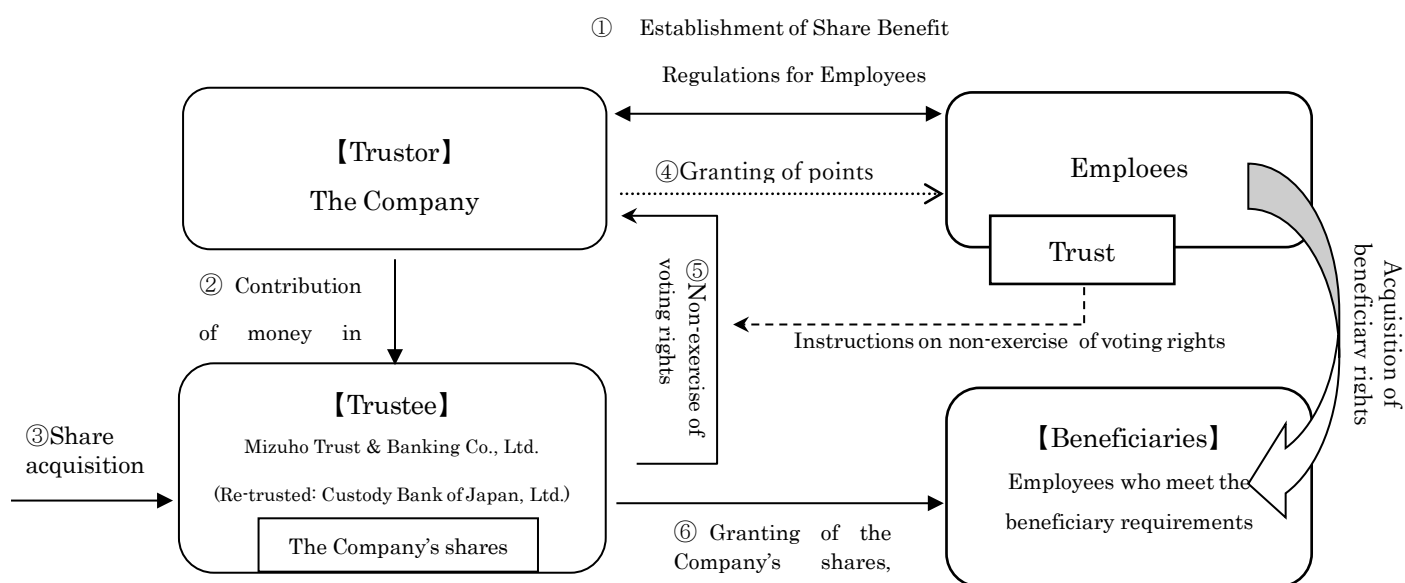
The Company grants points to employees based on their performance and other factors in accordance with the Share Benefit Regulations for Employees.

Each point granted to an employee is converted into one share of the Company's common stock when the employee receives the Company's shares.

However, in the event of a stock split, gratis allotment of shares, or reverse stock split of the Company's shares, the number of points already granted or the conversion ratio shall be reasonably adjusted according to the ratio, etc.

The Company shares allocated to Custody Bank of Japan, Ltd. (Trust E Account) as a result of this disposal of treasury shares will be held by Custody Bank of Japan, Ltd. (Trust E Account) until the Employees receive their benefits, and even Employees who have been granted points may not transfer or otherwise dispose of the Company shares corresponding to their points until they receive their benefits.

【Mechanism of the J-ESOP Plan】



- ① The Company shall establish the Share Benefit Regulations upon the introduction of the J-ESOP plan.
- ② The Company shall entrust the fund to Mizuho Trust & Banking Co., Ltd. (re-trust: Custody Bank of Japan, Ltd.) (third-party benefit trust) for the purpose of acquiring the shares in advance to be granted to the eligible employees in the future based on the “hare Benefit Regulations”.
- ③ The J-ESOP trust shall acquire the Company’s shares with the funds entrusted as 2) above, through the stock exchange or by underwriting the Company’s disposed treasury shares.
- ④ The Company shall grant points to the eligible employees in line with the “hare Benefit Regulations”.
- ⑤ The J-ESOP trust shall exercise voting rights in line with the instructions of the trust administrator.
- ⑥ The J-ESOP trust will provide shares of the Company to those among the eligible employees (hereinafter, “beneficiaries”), who meet the qualifications specified in the Stock hare Benefit Regulations in accordance with the number of points granted to such beneficiaries. If the eligible employee satisfies the requirements set forth in the “hare Benefit Regulations”, however, a certain percentage of the points will be paid in cash equivalent to the market value of the Company's stock.

3 . Overview of the Disposal of Treasury Shares

(1) Date of disposal	August 25, 2025
(2) Class and number of shares to be disposed of	60,000 shares of the Company’s common stock
(3) Disposal price	6,010 yen per share
(4) Total disposal amount	360,600,000 yen
(5) Planned disposal destination	Six directors of the Company 24,000 shares One executive officer of the Company 6,000 shares 233 employees of the Company 30,000 shares (Notes 1 and 2)
(6) Other	The Company will submit an Extraordinary Report on the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

(Note 1) The planned disposal destination of the Disposal of Treasury Shares for the formalities is Custody Bank of Japan, Ltd. (Trust Account E). Custody Bank of Japan, Ltd. (Trust Account E) is a trust account to be established by the conclusion of the trust agreement between the Company as the trustor and Mizuho Trust & Banking Co., Ltd. as the trustee (hereinafter referred to as the “Trust Agreement”) (the re-trustee is Custody Bank of Japan, Ltd.). On the other hand, the Disposal of Treasury Shares is conducted to grant shares to employees of the Company under the Plan and is effectively the same as the case of allotting shares to employees of the Company as the consideration for the provision of services to the Company. Therefore, employees of the Company are stated as the planned disposal destination.

(Note 2) The Company will grant points to employees in accordance with their positions and others under the

Plan, and when employees acquire the recipient right by fulfilling certain conditions, the Company will grant them the Company's shares equivalent to the said points granted to them. Therefore, the above number of shares is the maximum. The number of the Company's shares that will be actually granted to employees will vary depending on the employees' positions and others.

4 . Purpose of and reason for the disposal

The Disposal of Treasury Shares is to hold and dispose of the Company's shares in the operation of the Plan and to dispose of treasury shares to the Trust Account E set up by Custody Bank of Japan, Ltd. (the re-trustee that receives re-trust from Mizuho Trust & Banking Co., Ltd., which is the trustee of the Trust) by third-party allotment. For the formalities, the Disposal of Treasury Shares will be conducted to Custody Bank of Japan, Ltd. (Trust Account E) as the allottee. However, the disposal is effectively the same as the case of allotting shares to Directors, etc. and employees of the Company as the consideration for the provision of services to the Company.

The number of shares to be disposed of corresponds to the number of shares deemed to be granted to Directors, etc. during the period of the Trust under the Share Benefit Regulations for directors (30,000 shares for three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028) and employees of the Company during the period of the Trust under the Share Benefit Regulations for employees (30,000 shares for three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028) and is 0.25% of the total number of outstanding shares, which is 24,007,728 shares as of March 31, 2025 (0.27% of the total number of voting rights, which is 222,615 units as of March 31, 2025. Both rates are rounded off to two decimal places). As described in "Notice Regarding the Introduction of a Stock Compensation Plan" dated May 15, 2025, the Company has judged the scale of dilution as reasonable.

5 . Overview of the BBT Trust

- (1) Name: Board Benefit Trust (BBT)
- (2) Trustor: The Company
- (3) Trustee: Mizuho Trust & Banking Co., Ltd. (Re-Trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries: Directors, etc. who meet the beneficiary requirements
- (5) Trust Administrator: A third party with no conflicts of interest with the company is planned to be selected
- (6) Type of Trust: Monetary trust other than money trust (third-party benefit trust)
- (7) Purpose of trust: To provide Company shares, which are the trust assets, to beneficiaries in accordance with the Share Benefit Regulations
- (8) Date of Trust Agreement: August 25, 2025
- (9) Date of Money Trust: August 25, 2025
- (10) Trust Period: From August 25, 2025 until the termination of the trust
(No specific termination date is set, and the trust will continue as long as the Plan is in effect.)

6 . Overview of the J-ESOP Trust

- (1) Name: Employee Stock Ownership Plan (J-ESOP)
- (2) Trustor: The Company

- (3) Trustee: Mizuho Trust & Banking Co., Ltd. (Re-Trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries: Eligible employees who meet the beneficiary requirements
- (5) Trust Administrator: Selected from the Company's employees
- (6) Type of Trust: Monetary trust other than money trust (third-party benefit trust)
- (7) Purpose of trust: To provide Company shares, which are the trust assets, to beneficiaries in accordance with the Share Benefit Regulations
- (8) Date of Trust Agreement: August 25, 2025
- (9) Date of Money Trust: August 25, 2025
- (10) Trust Period: From August 25, 2025, until the termination of the trust
(No specific termination date is set, and the trust will continue as long as the Plan is in effect.)

7. Basis and specifics of the calculation of the disposal price

The disposal price has been set at 6,010 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution on the Disposal of Treasury Shares.

The reason for basing the price on the closing price on the business day immediately preceding the date of the Board of Directors' resolution is because it represents the Company's fair corporate value in the stock market, and the Company judged it as reasonable.

Regarding the disposal price of 6,010 yen, it is an amount obtained by multiplying the average closing price of 5,595 yen (rounded down to the nearest yen) for the most recent 1-month period retracing from the business day immediately preceding the date of the Board of Directors' resolution by 107.42%, it is an amount obtained by multiplying the average closing price of 5,929 yen (rounded down to the nearest yen) for the most recent 3-month period retracing from the business day immediately preceding the date of the Board of Directors' resolution by 101.37%, and it is an amount obtained by multiplying the average closing price of 6,695 yen (rounded down to the nearest yen) for the most recent 6-month period retracing from the business day immediately preceding the date of the Board of Directors' resolution by 89.77%. Considering the above, the Company has concluded that the disposal price related to the Disposal of Treasury Shares is not particularly advantageous but reasonable.

The Audit and Supervisory Committee has expressed its opinion that the above disposal price is not a particularly favorable and is legitimate.

8. Matters concerning the procedure required by the corporate code of conduct

The Disposal of Treasury Shares does not require the procurement of an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., because (i) the dilution ratio is less than 25% and (ii) this Disposal of Treasury Shares does not involve a change in controlling shareholder.

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