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Notice Regarding the Introduction of an Employee Stock Ownership Plan (ESOP)

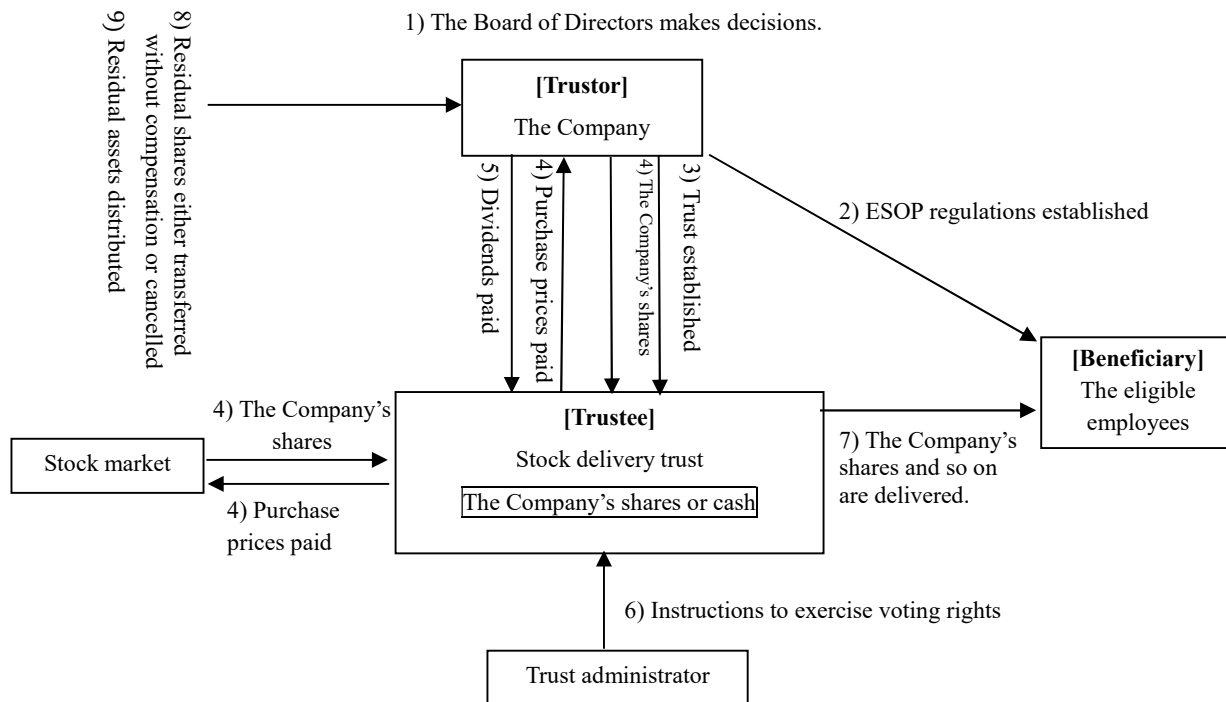
Japan Transcity Corporation (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to introduce a stock ownership plan (the “Plan”) for the Company’s employees utilizing a stock delivery trust (the “Trust”) as detailed below.

Further specifics, including the timing for establishing the Trust, trust period, timing for acquiring shares and the maximum acquisition amount, will be announced once decided.

1. Overview of the Plan

- (1) Japan Transcity Group (the “Group”) has been striving to realize the medium-term business plan that launched in April 2026 and achieve further growth by reinforcing its management foundation, strengthening the values it has nurtured, and enhancing the capability to generate profit efficiently and effectively.
- (2) Under the medium-term business plan, the Group puts its priority on its “talent” to advance one of its basic policies, “to strengthen business management foundation,” considering that securing and developing diverse talent and bringing out their potential to the maximum would lead to its sustainable growth and further enhancement of its corporate values.
- (3) Under the Plan, shares will be granted to the employees in certain job grades (the “eligible employees”) and the shares to be granted will be subject to transfer restrictions until their retirement pursuant to a transfer restriction agreement entered into between the Company and each of the eligible employees.
- (4) The introduction of the Plan will not only expand and enhance the benefits of the eligible employees but also allow them to receive the economic benefits arising from the appreciation of the Company’s shares, which is expected to help strengthening the eligible employees’ motivation to contribute to the Group’s performance and their sense of participation in management. The Plan is also expected to contribute to their even higher engagement, which is why the introduction of the Plan is positioned as a part of the Group’s “human capital investment” aimed at the long-term enhancement of its corporate value.

2. Framework of the Plan



- 1) The Company will follow required procedures, including decision-making by the Board of Directors, to introduce the Plan.
- 2) The Company will establish ESOP regulations as its internal rules.
- 3) The Company will contribute funds to establish the Trust under which the eligible employees who meet the beneficiary requirements serve as beneficiaries.
- 4) The Trust will acquire the Company's shares either from the Company (disposing treasury shares) or the stock market, following the trust administrator's instructions, using the entrusted funds described in 3) above as the source.
- 5) Dividends on the Company's shares held in the Trust will be paid in the same manner as dividends on other shares of the Company.
- 6) The trust administrator gives instructions to execute voting rights and other shareholder's rights, and the Trust follows the instructions and executes the shareholder's rights throughout the trust period.
- 7) The shares subject to transfer restrictions will be delivered to the employees that meet certain requirements for the beneficiaries until their retirement in principle pursuant to the ESOP regulations. There may be cases where the shares are converted into cash within the Trust and a monetary payment equivalent to the proceeds from such conversion is provided pursuant to the trust agreement.
- 8) If any shares remain upon the expiration of the trust period, the Trust can be used continuously for the same type of a share delivery scheme as the Plan by amending the trust agreement and establishing an additional trust. If the Trust is terminated without further continuation, the Company plans to transfer residual shares from the Trust to the Company without compensation as a shareholder return measure and cancel acquired shares.
- 9) The residual dividends on the Company's shares held in the Trust upon the expiration of the trust period will be used as the fund to acquire shares if the Trust is continued to be used, but if the Trust is terminated upon the expiration of the trust period, the portion exceeding the trust expense reserve will be donated to entities with no conflicting interests.

Note: If the Company's shares held in the Trust are exhausted as a result of share deliveries to the eligible employees and other dispositions, the Trust will be terminated before the expiration of the trust period. The Company may fund the Trust with additional cash to acquire additional shares of the Company.