



April 24, 2025

To shareholders,

Company name: BESTERRA CO., LTD
Representative name: Yutaka Honda
President and Representative Director
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Notice Concerning the Disposal of Treasury Shares as Restricted Stock-based Compensation

BESTERRA CO., LTD (hereinafter as the “Company”) hereby announces that it determined in the resolution of the Board of Directors meeting held on April 24, 2025 to dispose of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”). The details are as follows.

1. Overview of the Disposal

(1)	Payment date	May 23, 2025
(2)	Class and number of shares for the Disposal	13,837 shares of Common stock of the Company
(3)	Disposal price	1,073 yen per share
(4)	Total value of the Disposal	14,847,101 yen
(5)	Persons eligible for allotment of shares and number thereof, and number of shares for allotment	<p>Directors (※1), 3 persons, 11,558 shares Executive Officers(※2), 5 persons, 935 shares Representative Directors of Subsidiaries (※3), 3 persons, 1,344 shares</p> <p>(※1)Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors (※2)Excluding delegated executive officers (※3)Excluding those who concurrently serve as employees within our group</p>

2. Purpose and Reasons for the Disposal

At the 52nd Ordinary General Meeting of Shareholders scheduled to be held on April 24, 2025, the Company has decided to introduce a stock compensation plan (the “Plan”) under which the Company will issue restricted transferable shares to directors of the Company excluding those who are members of the Audit and Supervisory Committee and outside directors (the “Subject Directors”). The Plan is applicable to the Subject Directors.

The purpose of the Plan is to enable the Subject Directors to share the benefits and risks of share price fluctuations with shareholders and to further motivate them to increase the share price and enhance corporate value. The total amount of monetary compensation claims to be paid to the Subject Directors under the Plan shall be no more than 30 million yen per year.

Furthermore, the total number of restricted transferable shares to be allotted to the subject director in each fiscal year shall be up to 32,000 shares. The Restricted Transfer Period shall be from the date of delivery to the date of retirement or resignation from the position of director, executive officer, or employee of the Company or its subsidiaries.

Today, by resolution of the Board of Directors and decision of the President and CEO of the Company, the following policy was decided. The Subject directors and executive officers of the Company (excluding delegated executive officers) will be granted restricted stock compensation for the period from the 52nd Annual General Meeting of Shareholders in 2025 to the 53rd Annual General Meeting of Shareholders in 2026.

In addition, representative directors of our subsidiaries (excluding those who concurrently serve as employees of our group) will be granted restricted stock awards for the period from the annual general meeting of shareholders in 2025 to the annual general meeting of shareholders in 2026 for each subsidiary. The Company will grant monetary compensation claims totaling 14,847,101 yen to the three Subject directors, five executive officers, and three representative directors of subsidiaries (collectively, the “Allottees”), and the Allottees will contribute the total amount in kind, thereby allotting 13,837 shares of the Company's common stock with specified transfer restrictions. The amount of the monetary compensation claims is determined by comprehensively taking into consideration the contribution level of each of the Allottees and other factors.

The dilution of shares resulting from the Disposal of Treasury Shares is 0.36% of the 8,990,200 shares outstanding as of the end of January 2025, which is minor (approximately 3.56% even if the maximum number of shares are issued over the next 10 years). This allocation is considered reasonable in light of the purpose of the Plan. The monetary compensation claims will be paid on the condition that the allottee enters into a restricted stock allotment agreement (the “Allotment Agreement”) with the Company that includes the following key terms and conditions.

3. Outline of the Allotment Agreement

(1) Transfer Restriction Period

The Restricted Transfer Period shall be from May 23, 2025 to the day when the Allottees retires or resigns from any position as a director, executive officer, or employee of the Company or its subsidiaries (the “Restricted Transfer Period”).

During the Restricted Transfer Period, the Allottees may not transfer, pledge, assign as security, make a living donation, bequeath or otherwise dispose of the allotted restricted shares (the “Allotted Shares”) to any third party (the “Transfer Restrictions”).

(2) Gratis acquisition of the Allocated Shares by the Company

If the Allottees resigns or retires from any position as a director, executive officer, or employee of the Company or its subsidiary by the day before the first ordinary general meeting of shareholders to be held on or after the commencement date of the Restricted Transfer Period (in the case of a representative director of a subsidiary, by the general meeting of shareholders of such subsidiary), unless the Board of Directors of the Company finds a valid reason the Allotted shares will be acquired by the Company without consideration at the time of such retirement or resignation, except in the case where the Board of Directors of the Company recognizes a justifiable reason.

In addition, the Allotted Shares that do not fall under any of the events for cancellation of the restrictions on transfer (see (3) below) and for which the Transfer Restrictions have not been cancelled as of the expiration of the Restricted Transfer Period (the “Expiration Time”) will be acquired by the Company without consideration immediately after the Expiration Time.

(3) Lifting of the Transfer Restrictions

If the Allottee holds the position of director, executive officer, or employee of the Company or its subsidiary continuously from the commencement date of the Restricted Transfer Period to the first ordinary general meeting of shareholders (in the case of a representative director of a subsidiary, the ordinary general meeting of shareholders of the subsidiary), the Company will, at the Expiration Time, cancel the Transfer Restrictions of all the restrictions on the transfer of all the Allotted Shares shall be lifted.

However, if the Allottees retires or resigns from his/her position by the day before the date of the aforementioned General Meeting of Shareholders for reasons deemed justifiable by the Board of Directors of the Company, the Company will cancel the partial transfer restriction in the following manner.

Specifically, the Transfer Restrictions will be lifted for the number of shares (fractions of less than one share will be rounded down) immediately after the retirement or resignation, calculated by dividing the number of months from the month following the month in which the general meeting of shareholders is held prior to the payment date to the month of retirement or resignation by 12 and multiplying that percentage by the number of the Allotted Shares herein.

(4) Management of shares

The Allottees will complete the opening of an account with SMBC Nikko Securities Inc. in which the Allotted Shares will be described or recorded in a manner specified by the Company, and will store and maintain the Allotted Shares in that account until the Transfer Restrictions are lifted.

(5) Handling of Organizational Restructuring, etc.

The Company will take action in the event of any of the following events during the Restricted Transfer Period.

- (i) A merger in which the Company becomes an extinct company
- (ii) A share exchange or share transfer in which the Company becomes a wholly owned subsidiary
- (iii) Other reorganization, etc.

If these proposals are approved at a general meeting of shareholders (or by the Board of Directors if approval is not required) and the effective date of such reorganization is before the Expiration Time (hereinafter, “upon Approval of Reorganization, etc.”), and if the Allottees If the grantee resigns or retires from his/her position at the Company or any of its subsidiaries, the following actions will be taken.

Upon resolution of the Board of Directors, the transfer restriction will be lifted for the number of the Allotted Shares calculated by the following formula:

“Number of months from the month following the month including the ordinary general meeting of shareholders prior to the payment date to the month of approval of the Reorganization, etc.” $\div 12 \times$ “Number of the Allotted Shares held as of the date of such approval” (1 if exceeding 1; any fraction is rounded down) as of the business day preceding the effective date of the Reorganization, etc. The Company will acquire, without compensation, all the Allotted Shares for which the restrictions on transfer have not been lifted as of the business day immediately preceding upon Approval of Reorganization, etc.

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

In order to eliminate arbitrariness, the Disposal of Treasury Shares will be set at 1,073 yen, which is the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day before the date of the resolution of the Board of Directors (April 23, 2025).

This is the market price of the shares immediately before the date of the resolution of the Board of Directors, and the Company considers to be rational and not particularly favorable to the Allottees.