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To whom it may concern:

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Representative Director, Chairman and President  
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### **Notice Regarding Disposal of Treasury Stock as Restricted Stock-based Remuneration**

FRANCE BED HOLDINGS CO., LTD (the "Company") hereby announces that, at a meeting of the Board of Directors held today, the Company resolved to dispose of treasury stock (hereinafter referred to as the "Treasury Stock Disposal" or "Disposal".) as follows.

#### 1. Summary of the Disposal

(1) Disposal date	July 22, 2025
(2) Class and number of shares for disposal	our Company common stock 4,800 shares
(3) Disposal value	1,276 yen per share
(4) Total disposal amount	6,124,800 yen
(5) Assignees, the number thereof, and the number of shares for disposal	two directors of a subsidiary of our Company 4,800 shares

#### 2. Purpose and reasons for the Disposal

At a meeting of the Board of Directors held on May 15, 2024, our Company conducted a revision of Officer Remuneration System for the Company's directors (Excluding Outside Directors and Directors who are Audit & Supervisory Committee Members. hereinafter referred to as "Eligible Directors".), and passed a resolution to partially revise the system for the purpose of further enhancing Eligible Directors' willingness to contribute to the sustainable enhancement of the Company's corporate value by holding transfer restricted share until their retirement or resignation and to achieve shared value with shareholders as long as possible. At the 21th Annual General Meeting of Shareholders held on June 25, 2024, among other things, the transfer restriction period was changed from "a period determined in advance by the Board of Directors of our Company from 3 to 6 years from the date of receiving an

allotment." to " a period from the date of receiving an allotment to the time immediately after the resignation or retirement of the position prescribed by the Board of Directors of our Company among the positions of officers and employees of our Company or a subsidiary of our Company. (Provided, however, that in the event that the time immediately after such resignation or retirement is before the day on which three months have elapsed since the end of fiscal year, which includes the date on which the common stock of our Company will be allotted, the end of the transfer restriction period shall be adjusted to a reasonable extent as necessary.)". With respect to the condition of tenure of the Eligible Director regarding the lifting of the transfer restrictions on the Eligible Director, the approval was obtained for a change from "the position of director of our Company" to "the position prescribed by the Board of Directors of our Company among the positions of officers and employees of our Company or a subsidiary of our Company."

The summary of the System is as follows.

[Summary etc. of the system]

The system is a type of stock-based remuneration system, under which the effective amount of remuneration changes based on our Company's stock price. The system consists of "tenure conditions-type restricted stock-based remuneration" which is subject to the Eligible Director's continuous service in a position as an officer or employee of our Company or a subsidiary of our Company that is predetermined by the Board of Directors of our Company for a specified period of time and the "performance conditions-type restricted stock-based remuneration," which, in addition to the condition above, is subject to the conditions such as achieving the performance targets predetermined by our Company's Board of Directors to improve our Company's corporate value over the medium term. FRANCE BED CO., LTD., a subsidiary of our Company, has also established a system of granting monetary claims to directors of FRANCE BED CO., LTD. as remuneration, in order to receive a grant of transfer restricted shares from our Company. In the following, the system and the system of our subsidiaries are collectively referred to as the "System."

The Eligible Directors and the directors of subsidiaries of our Company (Eligible Directors and directors are hereinafter collectively referred to as "Eligible Directors, etc.") shall pay in all the monetary claims of remuneration provided by our Company or a subsidiary of our Company as assets contributed in kind under the System and shall be issued or disposed of the common shares of our Company. The amount to be paid in per share will be determined by the Board of Directors based on the closing price of the common stock of our Company on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of each Board of Directors meeting (If no transaction is executed on the same day, the closing price on the immediately preceding trading day.) to the extent that such amount will not be particularly favorable to Eligible Directors, etc. who will subscribe for such common stock.

In addition, upon the issuance or disposition of common shares of our Company under the System, our Company and the Eligible Directors, etc. shall execute a transfer restricted share allotment agreement, which shall include (1) the Eligible Directors, etc. shall be prohibited from transferring to a third party, creating a security interest on or otherwise disposing of the common shares of our Company allotted under the transfer restricted share allotment agreement for a certain period of time and (2) our Company shall acquire such common shares without compensation if a certain event occurs.

After consulting with the Nomination and Compensation Committee, and taking into consideration the purpose of the System, the business situation of our Company, the scope of duties of each Eligible Director, etc. and various circumstances, it has been decided to grant the following grants to two Eligible Directors, etc.:

I. Tenure conditions-type restricted stock-based remuneration: common stock 1,600 shares (monetary

remuneration claims contributed in kind 2,041,600 yen)

(of which no target directors)

II. Performance conditions-type restricted stock-based remuneration: common stock 3,200 shares

(monetary remuneration claims contributed in kind 4,083,200 yen)

(of which no target directors)

(The total sum of I and II above, the monetary claims of remuneration, is hereinafter referred to as the "Monetary Remuneration Claims".)

In the disposal of treasury stock, the two Eligible Directors, etc., who are the expected allottees, shall pay in all of the Monetary remuneration Claims held against our Company or a subsidiary of our Company as assets contributed in kind in accordance with the System and shall receive shares of common stock of our Company (hereinafter referred to as the "Allotted Shares"). An outline of the agreement on allotment of shares with transfer restriction (hereinafter referred to as the "Allocation Agreement") to be executed between our Company and the Eligible Directors, etc. in connection with the disposal of treasury stock is as follows.

[Outline of the Allotment Agreement]

I. Tenure conditions-type restricted stock-based remuneration

(1) Transfer Restriction Period

From July 22, 2025 until the time immediately following his resignation as a director, auditor or advisor of our Company or any subsidiary of our Company or the arrival of July 1, 2026, whichever is later.

(2) Conditions for lifting of Transfer Restrictions

The Transfer Restrictions will be released with respect to all of the Allotted Shares upon expiry of the Transfer Restriction Period on the condition that the Eligible Director, etc. has been continuously in the position of either director of our Company or a subsidiary of our Company during the period from the date of commencement of execution of duties until immediately prior to the time of conclusion of the first Annual General Meeting of Shareholders of our Company immediately thereafter (hereinafter referred to as "Service Period").

(3) Treatment of resignation of Eligible Director, etc. due to expiration of term of office, retirement age or other justifiable reasons during the Service Period

i) Timing of lifting of Transfer Restrictions

If the Eligible Director, etc. resigns from the position of director of our Company or any subsidiaries of our Company due to expiration of term of office, retirement age or other justifiable reasons (including retirement by death.) during the Service Period, the Transfer Restrictions will be lifted at the time immediately after the resignation of the Eligible Director, etc.

ii) Number of shares subject to lifting of Transfer Restrictions

The number of shares subject to lifting of Transfer Restrictions shall be calculated by multiplying the number of Allotment Shares held at the time of resignation as defined in (1) above, by the result of the dividing the number of months from the month including the Disposal date to the month including the resignation date of the Eligible Director, etc., by the number of months (12) corresponding to the Service Period (provided, however, that if the result exceeds 1, it shall be deemed as 1; and any fractional shares less than one share unit resulting from the calculation shall be rounded down).

(4) Acquisition without compensation by our Company

If an Eligible Director, etc. commits a violation of laws or regulations during the Transfer Restriction Period or falls under certain events stipulated in this Allotment Agreement, our

Company shall automatically acquire, without compensation, all the Allotted Shares owned by such individual at that time. Furthermore, at the expiration of the Transfer Restriction Period or at the time of lifting the Transfer Restrictions as set forth in item (3) above, our Company shall automatically acquire, without compensation, all of the Allotment Shares for which the Transfer Restrictions have not been lifted.

(5) Treatment in case of reorganizational restructuring, etc.

If, during the Transfer Restriction Period, a merger agreement under which our Company becomes the absorbed company, a share exchange agreement under which our Company becomes a wholly owned subsidiary, a share transfer plan, or any other matter related to organizational restructuring is approved at the General Meeting of Shareholders of our Company (provided, however, that if such approval is not required at the General Meeting of Shareholders, then approval by the Board of Directors of our Company shall suffice), then, by resolution of the Board of Directors, the Transfer Restrictions shall be lifted for the number of Allotment Shares calculated by multiplying the number of Allotment Shares held at that time by the result of dividing the number of months from the month including the Disposal date to the month including the approval date by the number of months (12) corresponding to the Service Period i) (provided, however, that if the result exceeds 1, it shall be deemed as 1; and any fractional shares less than one share unit resulting from the calculation shall be rounded down). The lifting of the Transfer Restrictions shall take effect immediately before the business day preceding the effective date of the organizational restructuring. Immediately after the Transfer Restrictions are lifted, our Company shall automatically acquire, without compensation, all of the Allotment Shares for which the Transfer Restrictions have not been lifted.

(6) Management of shares

To ensure that the Allotted Shares may not be transferred, pledged or otherwise disposed of during the Transfer Restriction Period, they shall be managed in dedicated accounts opened by the Eligible Directors at Nomura Securities Co., Ltd. during the Transfer Restriction Period. Our Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the dedicated accounts to ensure the effectiveness of the Transfer Restrictions, etc. concerning the Allotted Shares. In addition, the Eligible Directors, etc. shall agree to the contents of such agreement.

## II. Performance conditions-type restricted stock-based remuneration

### (1) Transfer Restriction Period

From July 22, 2025 until the time immediately following the resignation as a director, auditor or advisor of our Company or any subsidiary of our Company or the arrival of July 1, 2026, whichever is later.

### (2) Conditions for lifting of Transfer Restrictions

The Transfer Restrictions will be lifted at the expiration of the Transfer Restriction Period with respect to the number of the Allotted Shares calculated in accordance with the degree of attainment of the performance targets for our Company's management goal of "Consolidated Return on Equity (ROE) (Consolidated ROE)" during the fiscal year ended March 31, 2025 – the fiscal year ending March 31, 2027 of the medium-term management plan, provided that the Eligible Director, etc. has been continuously served as a director, auditor or advisor of our Company or a subsidiary of our Company from the commencement of their duties until immediately before the conclusion of the 24th Annual General Meeting of Shareholders. Provided, however, that if the Eligible Director, etc. resigns from the position as a director, auditor or advisor of our Company or a subsidiary of our Company due to expiration of the term, reaching retirement age or any other justifiable reasons

during the Transfer Restriction Period, the Transfer Restrictions shall be lifted with respect to a reasonably calculated number of the Allotted Shares at the time of resignation based on the degree of achievement of the performance goals at the time of resignation, immediately after the resignation of the Eligible Director, etc.

(3) Acquisition without compensation by our Company

If an Eligible Director commits a violation of laws or regulations during the Transfer Restriction Period or falls under certain events stipulated in this Allotment Agreement, our Company shall automatically acquire, without compensation, all the Allotted Shares owned by such individual at that time. Furthermore, at the expiration of the Transfer Restriction Period or at the time of lifting the Transfer Restrictions as set forth in item (2) above, our Company shall automatically acquire, without compensation, all of the Allotment Shares for which the Transfer Restrictions have not been lifted.

(4) Treatment in case of organizational restructuring, etc.

If, during the Transfer Restriction Period, a merger agreement under which our Company becomes the absorbed company, a share exchange agreement under which our Company becomes a wholly owned subsidiary, a share transfer plan, or any other matter related to organizational restructuring is approved at the General Meeting of Shareholders of our Company (provided, however, that if such approval is not required at the General Meeting of Shareholders, then approval by the Board of Directors of our Company shall suffice), then, by resolution of the Board of Directors, the Transfer Restrictions shall be lifted for a reasonably calculated number of Allotment Shares, based on the degree of achievement of performance goals and other relevant factors at such time. The lifting of the Transfer Restrictions shall take effect immediately before the business day preceding the effective date of the organizational restructuring. Immediately after the Transfer Restrictions are lifted, our Company shall automatically acquire, without compensation, all of the Allotment Shares for which the Transfer Restrictions have not been lifted.

(5) Management of shares

To ensure that the Allotted Shares may not be transferred, pledged or otherwise disposed of during the Transfer Restriction Period, they shall be managed in dedicated accounts opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. during the Transfer Restriction Period. Our Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the dedicated accounts to ensure the effectiveness of the Transfer Restrictions, etc. concerning the Allotted Shares. The Eligible Directors etc. shall agree to the contents of such agreements.

3. Basis for calculation of the amount to be paid in and specific details thereof

The disposal of treasury shares to the expected allottee shall be conducted using the following Monetary Remuneration Claims as contributed assets: with respect to “I. tenure conditions-type restricted stock-based remuneration,” the Disposal shall be made using Monetary Remuneration Claims granted as restricted stock remuneration for the fiscal year ending March 31, 2026 of FRANCE BED CO., LTD. under this Plan, and with respect to “II. Performance conditions-type restricted stock-based remuneration,” the Disposal shall be made using Monetary Remuneration Claims granted as restricted stock remuneration for the fiscal year ending March 31, 2026 – the fiscal year ending March 31, 2027 of FRANCE BED CO., LTD. under this Plan.

In order to eliminate arbitrariness, the Disposal price was set at 1,276 yen, which is the closing price of our Company's common stock on the Tokyo Stock Exchange Prime Market on June 26, 2025 (the business day preceding the date of resolution of the Board of Directors). This is the market share price immediately before the date of resolution of the Board of Directors, and we believe that it is reasonable

and does not fall under particularly advantageous amounts.

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