

(Notice) 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.

November 19, 2024

Company name: BOOKOFF GROUP HOLDINGS LIMITED
Name of representative: Yasutaka Horiuchi
President and CEO
(Securities code: 9278; TSE Prime Market)
Inquiries: Norihiro Watanabe
Director
(Telephone: +81-42-750-8588)

Notice of Disposal of Treasury Stock as Restricted Stock Remuneration

BOOKOFF GROUP HOLDINGS LIMITED (the “Company”) hereby announces that its Board of Directors has resolved at a meeting held on November 19, 2024 (the “Allotment Resolution Date”) to dispose of treasury shares (the “Treasury Share Disposition” or the “Disposition”) as described below.

1. Outline of the Disposition

(1) Date of Disposition	December 5, 2024
(2) Type and number of shares to be disposed of	6,000 shares of the Company's common stock
(3) Disposition value	1,464 yen per share
(4) Total amount of disposition	8,784,000 yen
(5) Recipient of disposition, number of persons, and number of shares disposed of	3 directors of the Company(*) 6,000 shares (*) Excluding directors who are audit and other committee members and outside directors

2. Purpose and Reason for Disposition

At a meeting of the Board of Directors held on July 20, 2021, the Company resolved to introduce a new compensation plan for the Company's directors (excluding directors who are audit and supervisory committee members and outside directors; hereinafter referred to as “Eligible Directors”), executive officers who do not concurrently serve as directors, employees, and directors, executive officers who do not concurrently serve as directors, and employees of the Company's subsidiaries (hereinafter collectively referred to as “Eligible Directors, etc.” together with Eligible Directors), as a new compensation system for the Target Directors, etc., with the aim of providing incentives to further improve the Company's corporate value on an ongoing basis and further promote the sharing of value with all shareholders, the Company has resolved to introduce a compensation system for shares with restrictions on transfer (hereinafter referred to as the “the System”).

In addition, at the 3rd Ordinary General Meeting of Shareholders to be held on August 28, 2021, based on the System, the Company will grant monetary compensation (hereinafter referred to as “Restricted Stock Remuneration”) to the Eligible Directors as capital for acquiring shares with transfer restrictions, the Company has obtained approval for the issuance or disposition of up to 20,000 shares of the Company's common stock per year and for the period of restriction on transfer of the restricted shares to be a period between three and thirty years as determined by the Company's Board of Directors.

The outline of the System is as follows.

【Overview of the System, etc.】

Eligible Directors will pay in all of the monetary claims paid by the Company or its subsidiaries under the System as payment in kind, and will receive issuance or disposition of the Company's common stock. The amount to be paid per share will be determined by the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution (if no transactions were executed on that date, the closing price of the most recent trading day prior to that date will be used), within the scope of an amount that is not particularly advantageous to the Eligible Directors, etc. who will subscribe for the common stock.

In addition, when issuing or disposing of the Company's common stock under the System, the Company and the Eligible Directors, etc. shall enter into a share allotment agreement with restrictions on transfer, and the content of the agreement shall be as follows: (i) the Eligible Directors, etc. shall be prohibited from transferring, creating a security interest in or otherwise disposing of the Company's common stock allotted to them under the share allotment agreement with restrictions on transfer to any third party for a certain period of time restriction on the transfer of the Company's common stock allocated under the share allocation agreement, including the prohibition of transfer to third parties, the establishment of security interests, and all other dispositions, and (ii) that the Company will acquire the common stock in question without compensation in the event of certain circumstances.

This time, after consulting with the Remuneration Review Committee, and taking into account the purpose of the System, the business conditions of the Company, the scope of the responsibilities of each Eligible Director, etc., and various other circumstances, it was decided to grant a total of 8,784,000 yen in monetary claims (hereinafter referred to as the "Monetary Claims") and 6,000 common shares. In addition, in order to achieve the System's objective of sharing shareholder value over the medium to long term, the transfer restriction period has been set at three years for this time.

In this disposal of treasury stock, the three Eligible Directors, etc. who are scheduled to receive an allocation will make a payment in kind of all of the monetary claims paid by the Company or its subsidiaries as payment in kind, and will receive a disposition of the Company's common stock (hereinafter referred to as "Allotted Shares"). The outline of the share allotment agreement with restrictions on transfer (hereinafter referred to as the "Allotment Agreement") to be concluded between the Company and the Eligible Directors, etc. in this disposal of treasury shares is as follows in 3. below.

3. Overview of the Allocation Agreement

(1) Restricted Transfer Period

December 5, 2024 - January 1, 2028

(2) Conditions for Lifting the Restriction on Transfer

The transfer restriction on all of the Allotted Shares will be lifted at the end of the transfer restriction period, provided that the Eligible Directors, etc. have continuously held one of the following positions during the transfer restriction period: director, executive officer, executive officer who does not concurrently serve as a director, employee, advisor or counselor of the Company or a subsidiary of the Company, or any other position equivalent to these positions.

(3) Handling of cases where Eligible Directors, etc. resign or retire during the restricted transfer period due to the expiration of their term of office, mandatory retirement age or other justifiable reasons

(A) Time of lifting of transfer restrictions

In the event that an Eligible Director, etc. retires or resigns from any position as a director, executive officer, executive officer who does not concurrently serve as a director, employee, advisor or counselor of the Company or a subsidiary of the Company, or any other position equivalent thereto, due to the expiration of his or her term of office or mandatory retirement age or for any other justifiable reason (including retirement or resignation due to death), the transfer restriction shall be lifted as of the time immediately following the Eligible Director's, etc.

(B) Number of shares subject to the lifting of transfer restrictions

The number of shares shall be the number of shares calculated by multiplying the number of Allotted Shares held at the time of the retirement or resignation as stipulated in (A) by the number obtained by dividing the number of months from the month that includes the Allotment Resolution Date to the month that includes the Eligible Directors' retirement or resignation date by 12 (if the result is more than 1, the number shall be 1). (However, if the calculation results in a fraction of less than one unit, it shall be rounded down.)

(4) Acquisition by the Company without Compensation

If the Eligible Directors, etc. commit an act in violation of laws and regulations during the Restricted Transfer Period or if any of the other events specified in the Allotment Agreement occurs, the Company shall automatically acquire all of the Allotted Shares without consideration at that time. In addition, the Company shall automatically acquire without compensation the Allotted Shares for which the transfer restriction has not been lifted at the time of the expiration of the transfer restriction period or the time of the lifting of the transfer restriction as stipulated in (3) above.

(5) Handling in the Event of Organizational Restructuring, etc.

If, during the period of restriction on transfer, a merger agreement in which the Company becomes the dissolving company, a share exchange agreement in which the Company becomes a wholly owned subsidiary, a share transfer plan, or other matters related to organizational restructuring, etc. are approved at a general meeting of the Company's shareholders (or, in cases where approval by the Company's general meeting of shareholders is not required for the relevant organizational restructuring, etc., by the Company's Board of Directors), the Board of Directors may, by resolution, decide that the number of Allotted Shares held at that time, multiplied by the number of months from the month that includes the Allotment Resolution Date to the month that includes the date of approval (if that number exceeds 1, it shall be set to 1), (however, if the calculation results in a fraction of less than one unit share, it shall be rounded down), the Company shall cancel the relevant transfer restriction as of the time immediately before the business day prior to the effective date of the Reorganization, etc. In addition, at the time immediately after the transfer restriction is lifted, the Company will automatically acquire all of the Allotted Shares that have not yet had their transfer restrictions lifted without compensation.

(6) Stock Management

The Allotted Shares will be managed in a special account opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. during the period of the transfer restriction, so that they cannot be transferred, pledged or otherwise disposed of during the period of the transfer restriction. The Company has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the accounts for the Allotted Shares held by each Eligible Director, etc. in order to ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares. In addition, the Eligible Directors, etc. shall agree to the content of the management of the relevant accounts.

4. Basis for Calculating the Amount to be Paid and Specific Details of the Calculation

The disposition of treasury stock to the allottees will be conducted using the monetary claims paid as Restricted Stock Remuneration for the Company's 5th fiscal year under the System as the investment property.

In order to eliminate arbitrariness from the disposition price, it has been set at 1,464 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on November 18, 2024 (the business day immediately prior to the date of the Board of Directors' resolution). This is the market price immediately prior to the date of the Board of Directors' resolution, and we believe it is reasonable and does not constitute a particularly advantageous price.