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May 15, 2024

Listed company name: Shinko Shoji Co., Ltd.
Representative: Tatsuya Ogawa,
President and Representative Director
(Code No.: 8141, Tokyo Stock
Exchange Prime Market)
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Notice Concerning Disposal of Treasury Stock by Private Allocation Due to Additional Contribution to Stock Benefit Trust (J-ESOP)

Shinko Shoji Co., Ltd. (the “Company”) hereby notifies that its Board of Directors resolved at a meeting held on May 15, 2024 to dispose of treasury stock by private allotment (“this Treasury Stock Disposal”) as detailed below.

1. Overview of Disposal

(1) Date of disposal	Friday, May 31, 2024
(2) Class and number of shares to be disposed	Common stock: 400,000 shares
(3) Disposal price	Per share: 1,014 yen
(4) Total value of shares to be disposed	405,600,000 yen
(5) Scheduled allottee	Custody Bank of Japan, Ltd. (Trust Account E)
(6) Other	This Treasury Stock Disposal shall be conditional on the entry into effect of a Securities Registration Statement pursuant to the Financial Instruments and Exchange Act.

2. Purpose of and Reasons for Disposal

Pursuant to a resolution of the Board of Directors meeting held on June 13, 2018, the Company has introduced a Stock Benefit Trust (J-ESOP) (hereinafter referred to as the “Scheme” and the trust established pursuant to a trust agreement concluded with Mizuho Trust & Banking Co., Ltd. as the “Trust”).

In the continuation of the Scheme, the Company has decided to conduct an additional cash contribution (hereinafter referred to as “Additional Trust”) to the Trust so that the Trust may acquire the shares forecast to be necessary for future awards and to dispose of treasury stock by private allotment (this Treasury Stock Disposal) to the Trust Account E set up by Custody Bank of Japan, Ltd. (the re-trustee to which Mizuho Trust & Banking

Co., Ltd., the trustee of the Trust, has re-entrusted the Trust's assets) for the holding and disposal of the Company's shares in the operation of the Scheme.

The number of shares to be disposed of is equivalent to the number of shares forecast to be awarded to senior management employees of the Company during the trust period (for five fiscal years) pursuant to the Stock Award Regulations. This is 1.05% of 38,010,566 shares, which is the total number of shares outstanding as of March 31, 2024, representing 1.18% of the total of 338,664 voting rights as of March 31, 2024 (both percentages have been rounded off to the nearest second decimal place).

* Overview of Additional Trust

Date of Additional Trust	May 31, 2024
Amount of Additional Trust	405,600,000 yen
Class of shares to be acquired	Common stock of the Company
Number of shares to be acquired	400,000 shares
Date of acquisition of shares	May 31, 2024
Method of acquisition of shares	By receipt of the disposal of the Company's treasury stock (this Treasury Stock Disposal)

3. Basis for calculation of disposal price and specific details thereof

The disposal price has been set at 1,014 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution on this Treasury Stock Disposal.

The closing price on the business day immediately preceding the date of the Board of Directors resolution was decided as the standard because the Company judged it to be reasonable as a proper indicator of the corporate value of the Company.

Regarding the disposal price of 1,014 yen, this is an amount obtained by multiplying the average closing price of 1,000 yen (rounded down to the nearest yen) for the past one month before the business day immediately preceding the date of the Board of Directors resolution by 101.40% and the amount obtained by multiplying the average closing price of 1,130 yen (rounded down to the nearest yen) for the past three months before the business day immediately preceding the date of the Board of Directors resolution by 89.73%. It is also the amount obtained by multiplying the average closing price of 1,158 yen (rounded down to the nearest yen) for the past six months before the business day immediately preceding the date of the Board of Directors resolution by 87.56%. Taking the above into account, the disposal price for this Disposal of Treasury Stock cannot be described as particularly advantageous, and the Company judges it to be reasonable.

The Audit and Supervisory Committee has expressed its opinion that the above disposal price does not constitute a particularly advantageous disposal price.

4. Matters concerning procedures pursuant to the Corporate Code of Conduct

Given that this Treasury Stock Disposal (1) has a dilution rate of less than 25% and (2) is not accompanied by a change in controlling shareholder, it does not require the Company to obtain the opinion of an independent third-party or to undertake procedures to confirm the intent of shareholders as stipulated in Article 432 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.