



June 25, 2024

Company Name Sun Frontier Fudousan Co., Ltd.
Representative Seiichi Saito, President and Representative Director
(Stock Code: 8934, TSE Prime Market)
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Notice of Disposal of Treasury Shares as Restricted Stock Remuneration

At the meeting of the Board of Directors held today, the Company made a resolution of disposing treasury shares as restricted stock remuneration (“Disposal of Treasury Shares”) as follows.

1. Overview of Disposal

(1) Payment Date	July 25, 2024
(2) Type and Number of Shares to be Disposed of	16,231 common shares of the Company
(3) Disposal Price	1,941 yen per share
(4) Total Disposal Price	31,504,371 yen
(5) Allottees Planned	Six (6) directors 16,231 shares ※Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors.

2. Purpose and Reason for the Disposal

At the meeting of the Board of Directors held on May 13, 2022, the Company made a resolution of introducing a Restricted Stock Remuneration System (“the System”) as a new remuneration plan for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors, hereinafter the same). The purpose of the System is to provide incentives for continuously improving the Group's corporate value, and to share further value with shareholders.

At the 23rd Annual General Meeting of Shareholders held on June 21, 2022, the Company made a resolution of setting a limitation of share compensation not over 36million yen per year and a maximum of 50,000 common shares as total to be allotted for the Company's Directors.

At the meeting of the Board of Directors held today, the Company made a resolution of paying 31,504,371 yen as the total amount of monetary remuneration credits to the 6 Directors of the Company (“eligible Directors”), based on the purpose of the System by the position of each eligible Director, the scope of responsibilities and so on. The Company also made a resolution of disposing 16,231 common shares as restricted stock remuneration for the payment by contributed in kind.

<Outline of the Restricted Stock Allotment Agreement>

In connection with the Disposal of Treasury Shares, the Company and each eligible Directors conclude a restricted stock allotment agreement (“Allotment Agreement”). Following is the outline of Allotment Agreement.

(1) Period of Transfer Restriction

Eligible Directors shall not transfer, pledge, or otherwise dispose of the Company's common shares (“allotted shares”) allotted under the Allotment Agreement during the period from July 25, 2024 (the payment date) to the date on which retiring or resigning as a Director, an Executive Officer, or an employee of the

Company or any of its subsidiaries. However, if the retiring or resigning date is immediately after 3 months from the end of the fiscal year to which belongs the delivery date of the allotted shares as defined below (i.e., immediately after the arrival of July 1, 2025), then the period of transfer restriction will be until the later date.

(2) Conditions for Lifting the Transfer Restrictions

During the period from the Company's Annual General Meeting of Shareholders immediately before the payment date to the one held in the following year ("Service Provision Period"), if the eligible Directors continuously hold any of the positions of Director, Executive Officer or employee of the Company or any of its subsidiaries, then the transfer restrictions on all allotted shares shall be cancelled on the expiration date.

However, during the Service Provision Period, if the eligible Director resigns or retires from the position of Director, Executive Officer or employee of the Company or any of its subsidiaries due to his/her death or any other reason deemed justifiable by the Board of Directors of the Company, then the transfer restrictions shall be lifted on the number of allotted shares equal to dividing the number of months from the month following the month in which the beginning date of the service provision period is included to the month which contains the date of his/her resignation or retirement by 12 (if the result of the calculation is above 1, then 1 shall be used) and then multiplying the result by the number of allotted shares (any fraction less than one (1) share as a result of the calculation shall be rounded down). The restriction shall be lifted on the day following the date of his/her resignation or retirement.

In addition, after Service Provision Period, if the eligible Director resigns or retires within three months after the end of the business year to which the payment date of the allotted shares belongs from the position of Director, Executive Officer or employee of the Company or any of its subsidiaries due to his/her death or any other justifiable reason, then the transfer restrictions on all allotted shares shall be cancelled on the date or the following date of resignation or retirement.

(3) Free Acquisition by the Company

The Company shall automatically acquire the allotted shares for which the transfer restriction has not been lifted when the transfer restriction period expires.

(4) Management of Shares

To prevent the allotted shares be transferred, pledged, or otherwise disposed of during the transfer restriction period, the restricted shares shall be managed in a dedicated account opened by the eligible Employers with Daiwa Securities Co. Ltd.

(5) Treatment in the Event of Reorganization, etc.

If a General Meeting of Shareholders (or at the Board of Directors of the Company in the event that it is not a necessary to made a resolution on General Meeting of Shareholders related to organizational restructuring, etc.) made a resolution of a merger agreement under which the Company is the absorbed company, a share exchange agreement or share transfer plan under which the Company is to become a wholly-owned subsidiary, or any other matter relating to organizational restructuring, etc., the transfer restrictions on all allotted shares should be cancelled by a resolution of the Board of Directors, and the cancellation should be executed on 1 business day before the effective date of the organizational restructuring during the transfer restriction period.

3. Basis for Calculation of Payment Amount and Specific Details

The Disposal of Treasury Shares is conducted as a monetary remuneration credit provided to the Allottees Planned based on the System. In order to eliminate arbitrariness, the Payment amount will be 1,941 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on June 24, 2024. This is the market price immediately prior to the date of the resolution of the Board of Directors. Unless there are special reason indicated that the latest share price cannot be relied on, it is a reasonable price that appropriately reflects the Company's corporate value and does not fall under the category of a particularly advantageous price for the eligible Directors.