



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 for Executive Officers and Certain Employees

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	15,412 common shares of the Company
(3) Disposal Price	1,941 yen per share
(4) Total Disposal Price	29,914,692 yen
(5) Allottees Planned	9 executive officers 5,519 shares 53 employees 9,893 shares

2. Purpose and Reason for Disposal

The Company made a resolution of paying 29,914,692 yen as the total amount of monetary remuneration credits which means disposing 15,412 common shares as restricted stock remuneration, to the 9 Executive Directors and 53 employees of the Company (“eligible Employees”), for the purpose of providing incentives for continuously improving the Group's corporate value and sharing further value with shareholders. In addition, from the perspective of promoting medium-to long-term and continuous work, the Company decided a transfer restriction on the allotted shares and set the period at approximately 3 years.

Eligible Employees shall pay all the monetary credits provided to them as contribution in kind and shall subscribe for the common shares allotted by the Company through the disposal of treasury shares. In addition, in connection with the disposal of treasury shares, the Company enters into a restricted stock allotment agreement with eligible Employees that generally includes the following details.

The allotted shares will be allotted only to the eligible Employees who wish to subscribe for them.

<Outline of the Restricted Stock Allotment Agreement>

(1) Period of Transfer Restriction

Eligible Employees 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 April 1 2027.

(2) Conditions for Lifting the Transfer Restrictions

During the transfer restrictions, if the eligible Employees 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 Employee resigns or retires from the position of Director, Executive Officer or employee of the Company or any of its subsidiaries 1) due to his/her death, 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 34 (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 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, during the Service Provision Period, if the eligible Employee resigns or retires from the position of Director, Executive Officer or employee of the Company or any of its subsidiaries 2) due to any other reason deemed justifiable by the Board of Directors of the Company, then the transfer restrictions shall be also lifted on number of allotted shares on the date determined separately by the Company.

(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, or other timing engaged by other agreement.

(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 Employees.