



September 12, 2025

Company name Morozoff Limited
Representative Shinji Yamaguchi, Representative
Director and President
(Securities code 2217, Prime Market, Tokyo Stock Exchange)
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Notice on Disposal of Treasury Stock by Third-Party Allotment

Morozoff Limited (the Company) announces that it resolved to dispose of treasury stock by third-party allotment at the meeting of the Board of Directors held on September 12, 2025, as follows.

1. Overview of disposal

(1) Disposal date	October 3, 2025
(2) Number of shares disposed of	304,200 shares
(3) Disposal value	1,561 yen per share
(4) Total amount of disposal	474,856,200 yen
(5) Disposal method	Disposal by third-party allotment
(6) Party to receive disposal	The Master Trust Bank of Japan, Ltd. (Employee stock ownership ESOP trust account)
(7) Other	The disposal of treasury stock shall be subject to taking effect of the notification under the Financial Instruments and Exchange Act.

2. Purpose and reason for disposal

We resolved to introduce a trust-type incentive plan utilizing an employee stock ownership plan “Employee stock ownership ESOP trust (hereinafter referred to as the “ESOP Trust”) to further enhance the benefit program for employees who support the Company’s growth and to provide incentives to increase the stock price, thereby further raising employees’ awareness of the Company’s performance and stock value and improving the Company’s corporate value over the medium to long term.

For an overview of the ESOP Trust, please refer to the “Notice on Introduction of Incentive Plan Utilizing Employee Stock Ownership Plan (Decision on Details)” announced today.

Under the disposal of treasury stock, due to the introduction of the ESOP Trust, the Company shall dispose of treasury stock by third-party allotment to The Master Trust Bank of Japan, Ltd. (Employee stock ownership ESOP trust account), the co-trustee of the employee stock ownership ESOP trust agreement that the Company has entered into with Mitsubishi UFJ Trust and Banking Corporation.

The number of shares to be disposed of shall be the number of shares expected to be transferred by the Trust to the Company Shareholding Association during the trust period, and the size of the dilution shall be 1.43% (rounded off to two decimal places; ratio of 1.51% to the total number of 201,403 voting rights as of July 31, 2025) of the total number of 21,265,356 shares issued as of July 31, 2025.

The Company judges that the number of shares to be disposed of and the size of dilution are reasonable because the Company’s shares allotted through the disposal of treasury stock shall be sold to the Company Shareholding Association on a certain date each month and shall have only a minimal impact on the secondary market.

(Reference)

[Contents of the Trust Agreement]

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|-----|---------------------------|--|
| (1) | Type of the trust | Designated non-collectively invested money trust (third party benefit trust) |
| (2) | Purpose of the trust | Stable and continuous supply of the Company's shares to the Company Shareholding Association and enhancement of the benefit program for employees who fulfill the requirements for beneficiaries |
| (3) | Settlor | The Company |
| (4) | Trustee | Mitsubishi UFJ Trust and Banking Corporation
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (5) | Beneficiaries | Members of the Company Shareholding Association who fulfil the requirements for beneficiaries |
| (6) | Trust administrator | Third parties with no vested interest in the Company |
| (7) | Trust agreement date | September 29, 2025 (scheduled) |
| (8) | Term of the trust | September 29, 2025 – October 18, 2030 (scheduled) |
| (9) | Exercise of voting rights | The trustee shall exercise voting rights for the Company's shares in accordance with the instructions of the trust administrator reflecting the voting status of the Company Shareholding Association. |

3. Basis for calculation of the disposal value and its specific details

The disposal value is set at 1,561 yen, which is the closing price of the Company stock on the Tokyo Stock Exchange on the business day (September 11, 2025) preceding the date of the Board of Directors' resolution on the disposal of treasury stock, in accordance with the "Guidelines Concerning Handling of Capital Increase by Third-Party Allotment" of the Japan Securities Dealers Association in order to eliminate arbitrariness in light of recent stock price trends. The closing price of the Company stock on the business day preceding the date of the Board of Directors' resolution was adopted because it was the market price immediately prior to the Board of Directors' resolution and was judged to be highly objective and reasonable as the basis for the calculation. Regarding the above disposal value, the Audit & Supervisory Committee of the Company expressed the opinion that the basis for calculating the disposal value was reasonable and that the disposal value was not particularly favorable to the Company and was therefore lawful.

4. Procedures under the Corporate Code of Conduct

Since the dilution ratio of the shares in this transaction is less than 25% and there is no change in controlling shareholder, it is not necessary to obtain an opinion from an independent third party or to confirm the intent of shareholders as stipulated in Article 432 of the Securities Listing Regulations established by Tokyo Stock Exchange, Inc.