



June 26, 2025

To whom it may concern

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## Notice Concerning Issuance of New Shares as Restricted Stock Compensation

At the Board of Directors' meeting today, Digital Garage, Inc. (the "Company") resolved to issue new shares as restricted stock compensation (the "New Share Issuance").

### 1. Details of Issuance

(1) Payment Date	July 11, 2025
(2) Type and Number of Shares to be Issued	Ordinary shares of the Company: 40,532 shares
(3) Issue Price	4,685 yen per share
(4) Total Issue Amount	189,892,420 yen
(5) Allottees, Number of Allottees, and Number of Shares to be Allotted	<p>Directors of the Company (*): 4 persons, 13,552 shares</p> <p>Corporate Officers of the Company: 16 persons, 24,314 shares</p> <p>Directors and Corporate Officers of subsidiaries of the Company: 2 persons, 2,666 shares</p> <p>* Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors</p>
(6) Other	The Company has submitted an extraordinary report regarding the New Share Issuance pursuant to the Financial Instruments and Exchange Act.

### 2. Purpose and Reasons for Issuance

At the 21st Ordinary General Meeting of Shareholders held on September 29, 2016, the Company received approval to introduce a restricted share compensation system (hereinafter referred to as "the System") as a compensation scheme for the Company's directors (excluding directors who are audit and supervisory committee members and outside directors; hereinafter referred to as "Eligible Directors"), with the purpose of providing incentives for the sustainable enhancement of the Company's corporate value and promoting greater value sharing with shareholders, and to grant monetary compensation claims (hereinafter referred to as "Restricted Share Compensation") as contributed assets for acquiring restricted shares under the System, with an annual amount not exceeding 100 million yen per business year to Eligible Directors. The outline of the System is as follows.

The System involves granting monetary compensation claims to Eligible Directors for the purpose of awarding restricted shares, and having these monetary compensation claims contributed as in-kind contributions to the Company, thereby issuing or disposing of the Company's ordinary shares (hereinafter referred to as "Company Shares") to Eligible Directors for their holding.

However, the Company shall enter into a restricted share allocation agreement (hereinafter referred to as "the Allocation Agreement") with Eligible Directors based on the content described in "3. Overview of Restricted Share Allocation Agreement" (limited to medium-term only), and the Company Shares allocated under the Allocation Agreement are hereinafter referred to as "Allocated Shares". The content includes: (1) Eligible Directors who receive allocation shall not transfer, create security interests, or otherwise dispose of the Allocated Shares during a certain period (hereinafter referred to as "Transfer Restriction Period"), and (2) the Company may acquire the Allocated Shares without consideration when certain events occur. The matters related to the operation of the System described in "3. Overview of Restricted Share Allocation Agreement" shall be determined by the Company's Board of Directors.

The payment amount per share of restricted shares under the System shall be the fair value of Company Shares on the payment date, such as the closing price of Company Shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution (or the closing price on the most recent trading day if no transaction is concluded on that day).

The Company has also introduced the System for corporate officers or employees, as well as directors, corporate officers, or employees of subsidiaries, subject to resolution by the Company's Board of Directors. This time, the Company will grant a total of 189,892,420 yen in monetary compensation claims (of which 63,491,120 yen for Company directors in total) and a total of 40,532 shares of the Company's ordinary shares to 4 Eligible Directors, 16 corporate officers, and 2 subsidiary directors and corporate officers (hereinafter referred to as "Grant Recipients").

The issuance scale of this restricted share compensation has been determined through resolution by the Company's Board of Directors, based on the level of executive compensation in the internet industry to which the Company Group belongs, taking into consideration the evaluation of Grant Recipients' past performance and their responsibilities during this Transfer Restriction Period.

### **3. Overview of Restricted Share Allocation Agreement**

The Company will individually enter into restricted share allocation agreements (hereinafter referred to as "the Transfer Restriction Agreement") with Grant Recipients, and the overview is as follows. Eligible Directors will be granted only the medium-term type from the following two types, while the Company's corporate officers or employees, as well as directors, corporate officers, or employees of subsidiaries will be granted both medium-term and long-term types.

(Medium-term)

#### **(1) Transfer Restriction Period**

July 11, 2025 to July 30, 2028

During the Transfer Restriction Period specified above, Grant Recipients who receive allocation under the Transfer Restriction Agreement shall not transfer, create security interests, or otherwise dispose of the Company's ordinary shares allocated to them.

#### **(2) Conditions for Removal of Transfer Restrictions**

Subject to the condition that Grant Recipients continuously hold any position as directors (excluding directors who are audit and supervisory committee members and outside directors), corporate officers, or employees of the Company or its subsidiaries during the Transfer Restriction Period, the transfer restrictions on all of the Company's ordinary shares allocated under the Transfer Restriction Agreement (hereinafter

referred to as "the Allocated Shares") shall be released upon expiration of the Transfer Restriction Period.

- (3) Treatment when Grant Recipients retire or resign from all positions as directors (excluding directors who are audit and supervisory committee members and outside directors), corporate officers, or employees of the Company or its subsidiaries during the Transfer Restriction Period due to expiration of term, retirement age, or other legitimate reasons

The timing of release shall be immediately after such retirement or resignation, and the conditions for release shall be determined by the Board of Directors, in principle, as the number of shares calculated by multiplying the number of Allocated Shares by the number obtained by dividing the period of service (in months) during the Transfer Restriction Period by 12 months (fractions of less than one share shall be rounded down).

- (4) Acquisition by the Company without Consideration

Regarding shares for which transfer restrictions are not released due to the reasons stated in (3) above and other reasons, the Company may acquire such shares without consideration after such release timing.

- (5) Management of Shares

The Allocated Shares shall be managed in dedicated accounts opened by Grant Recipients at Nomura Securities Co., Ltd. during the Transfer Restriction Period to ensure compliance with the transfer restrictions (inability to transfer, create security interests, or otherwise dispose of shares during the Transfer Restriction Period).

- (6) Treatment in Case of Corporate Reorganization, etc.

During the Transfer Restriction Period, if matters related to 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 corporate reorganization are approved at the Company's general meeting of shareholders (or at the Company's Board of Directors meeting if approval by the general meeting of shareholders is not required for such corporate reorganization), the Board of Directors shall, in principle, release the transfer restrictions on the number of shares calculated by multiplying the number of Allocated Shares held by Grant Recipients by the number obtained by dividing the number of months from the start month of the Transfer Restriction Period (July 2025) to the month including the date of such approval by 12 months (fractions of less than one share shall be rounded down), immediately before the business day preceding the effective date of such corporate reorganization.

(Long-term)

- (1) Transfer Restriction Period

July 11, 2025 to the time when Grant Recipients die, or retire or resign from all positions as directors (excluding outside directors), corporate officers, or employees of the Company or its subsidiaries due to expiration of term, retirement age, or other legitimate reasons

During the Transfer Restriction Period specified above, Grant Recipients shall not transfer, create security interests, or otherwise dispose of the Company's ordinary shares allocated under the Transfer Restriction Agreement.

- (2) Conditions for Removal of Transfer Restrictions (Eligibility)

Subject to the condition that Grant Recipients continuously hold any position as directors (excluding outside directors), corporate officers, or employees of the Company or its subsidiaries during the Transfer Restriction Period, the transfer restrictions on all of the Allocated Shares shall be released upon expiration of the Transfer Restriction Period.

(3) Acquisition by the Company without Consideration

Regarding shares for which transfer restrictions are not released, the Company may acquire such shares without consideration after such release timing.

(4) Management of Shares

The Allocated Shares shall be managed in dedicated accounts opened by Grant Recipients at Nomura Securities Co., Ltd. during the Transfer Restriction Period to ensure compliance with the transfer restrictions (inability to transfer, create security interests, or otherwise dispose of shares during the Transfer Restriction Period).

(5) Treatment in Case of Corporate Reorganization, etc.

During the Transfer Restriction Period, if matters related to 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 corporate reorganization are approved at the Company's general meeting of shareholders (or at the Company's Board of Directors meeting if approval by the general meeting of shareholders is not required for such corporate reorganization), the Board of Directors shall, in principle, release the transfer restrictions on the number of shares calculated by multiplying the number of Allocated Shares held by Grant Recipients by the number obtained by dividing the number of months from the start month of the Company's business year to which the payment date belongs (April 2025) to the month including the date of such approval by 12 months (fractions of less than one share shall be rounded down), immediately before the business day preceding the effective date of such corporate reorganization.

**4. Basis for Calculation of Payment Amount and Specific Details**

The issue price for this new share issuance is set at 4,685 yen, which is the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market on June 25, 2025 (the business day preceding the Board of Directors resolution date), in order to eliminate arbitrariness in pricing. This represents the market share price immediately before the Board of Directors resolution date, which the Company considers reasonable. This price represents a deviation of -3.04% (rounded to the third decimal place; the same applies hereinafter for deviation rate calculations) from the simple average of closing prices of the Company's ordinary shares on the Tokyo Stock Exchange Prime Market for one month (from May 26, 2025 to June 25, 2025) of 4,832 yen (amounts less than one yen are rounded down; the same applies hereinafter for simple averages of closing prices), a deviation of 2.18% from the three-month (from March 26, 2025 to June 25, 2025) simple average of closing prices of 4,585 yen, and a deviation of 6.16% from the six-month (from December 26, 2024 to June 25, 2025) simple average of closing prices of 4,413 yen. Therefore, the Company believes this does not constitute a particularly favorable price.