

December 16, 2024

To Whom It May Concern

Company name: Joyfull Co., Ltd.
Representative: Kurumi Anami, President and Chief
Operating Officer
(Securities code: 9942 [Fukuoka Stock Exchange])
Contact: Yutaka Nojima, Director and General
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Notice Regarding Disposal of Treasury Shares as Restricted Stock Units

The Company announces that at its Board of Directors meeting held today, it has resolved to dispose of its treasury shares as restricted stock units (the “Treasury Share Disposal” or “Disposal”) as detailed below.

1. Outline of Disposal

(1) Date of disposal	January 10, 2025
(2) Class and number of shares to be disposed of	20,279 common shares of the Company
(3) Disposal price	1,085 yen per share
(4) Total disposal value	22,002,715 yen
(5) Method of subscription or allotment	Method of allotting specified restricted stock
(6) Method of performance of contributions	Contribution of monetary compensation claim in kind
(7) Allottee of shares, number of allottees, and number of shares to be allotted	4 directors (excluding outside directors) 20,279 shares

2. Purpose and Reasons for Disposal

At the 43rd Annual General Meeting of Shareholders held on March 17, 2018, the Company resolved to introduce a restricted stock unit program (the “Program”), under which the Company’s directors, excluding outside directors (the “Eligible Directors”), will be allotted specified restricted shares in order to hold shares in the Company, so as to

incentivize the directors to continuously increase the Group's corporate value by managing the Company from a medium- to long-term perspective and to encourage further value sharing with shareholders.

The outline of the Program and other details are as described below.

The Eligible Directors will pay all monetary compensation claims provided by the Company under the Program as property contributed in kind and will receive an issuance or disposal of the Company's common shares. The total amount of monetary compensation claims to be provided to the Eligible Directors under the Program shall be no more than 400 million yen per year (excluding employee salaries). The specific timing and allocation to each Eligible Director will be determined by the Board of Directors after deliberation by the Nomination and Compensation Committee.

The total number of common shares to be issued or disposed of by the Company under the Program shall be no more than 300,000 shares per year to the Eligible Directors, and the amount to be paid per share shall be the closing price of the Company's common shares on the Fukuoka Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (if no transaction is made on such date, the closing price on the most recent trading day immediately preceding such date shall be used).

Upon the issuance or disposal of common shares of the Company under the Program, a restricted stock allotment agreement will be entered into between the Company and the Eligible Directors, which agreement will provide that: (1) the Eligible Directors may not, for a certain period of time, transfer, pledge, or otherwise dispose of the Company's common shares allotted pursuant to said restricted stock allotment agreement; and (2) the Company will acquire such common shares without compensation upon the occurrence of certain events.

In consideration of the purpose of the Program, the performance of the Company, the scope of responsibilities of each Eligible Director, and other various circumstances, the Company has decided to grant a total of 22,002,715 yen in monetary compensation claims (the "Monetary Compensation Claims"), or a total of 20,279 common shares of the Company (the "Shares"). In order to achieve the purpose of the Program, which is to provide an incentive for continuous growth of corporate value and to share value with shareholders, the transfer restriction period has been set at 30 years.

In the Treasury Share Disposal, four Eligible Directors, who are the intended allottees, will pay all Monetary Compensation Claims against the Company as property contributed in kind and receive disposal of the Shares in accordance with the Program.

3. Outline of Restricted Stock Allotment Agreement

The Company and each Eligible Director will individually enter into a restricted stock

allotment agreement (the "Allotment Agreement"), the outline of which is as follows.

(1) Transfer restriction period: January 10, 2025 to January 9, 2055

(2) Conditions for lifting transfer restrictions

In principle, the Company will lift transfer restrictions on all of its common shares allotted pursuant to the Allotment Agreement (the "Allotted Shares") at the end of the transfer restriction period, provided that the Eligible Directors have continuously served as director of the Company during the transfer restriction period.

However, if an Eligible Director retires from the position of director of the Company by reason of death, expiration of term of office, mandatory retirement age, or other justifiable reason, the transfer restrictions will be lifted immediately following such retirement for the number of shares determined by multiplying the number of Allotted Shares by the number of months from the month including the date of the disposal to the month including the date of such retirement divided by 12 (however, if the result of the calculation is greater than 1, it shall be 1) (any resulting fraction of less than one share being rounded down).

(3) Acquisition by the Company without compensation

The Company will automatically acquire, without compensation, the Allotted Shares for which transfer restrictions have not been lifted immediately following the point at which it is determined that the transfer restrictions will not be lifted.

(4) Management of shares

The Allotted Shares will be managed in dedicated accounts opened by the Eligible Directors with Nomura Securities Co., Ltd. so that they cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period. The Company and the Eligible Directors have entered into agreements with Nomura Securities Co., Ltd. regarding the management of the accounts for the Allotted Shares held by each Eligible Director in order to ensure the effectiveness of the transfer restrictions, etc., relating to the Allotted Shares.

(5) Treatment in reorganizations, etc.

Notwithstanding the provisions of (1) above, if, during the transfer restriction period, a merger agreement under which the Company becomes the merged company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or other matters relating to reorganization, etc. are approved at the Company's general meeting of shareholders (or by the Company's Board of Directors if approval at the Company's general meeting of shareholders is not required for such reorganization, etc.), the transfer restrictions will be lifted for the number of Allotted Shares determined by multiplying the number of Allotted Shares held by such director on the date of approval of the reorganization, etc. by the number of months from the month including the date of disposal to the month including the date of such approval divided by 12 (however, if the result of the calculation is greater than 1, it shall be 1.)

(any resulting fraction of less than one share being rounded down) immediately prior to the business day immediately preceding the effective date of the reorganization, etc.

4. Basis for Calculation and Details of Amount to be Paid In

The Treasury Share Disposal to the intended allottees will be made with the monetary compensation claims provided as restricted stock units under the Program as contributed property. In order to eliminate arbitrariness, the disposal price has been set at 1,085 yen, the closing price of the Company's common shares on the Fukuoka Stock Exchange on December 13, 2024 (the business day prior to the date of the Board of Directors' resolution). This is the market share price immediately prior to the date of the Board of Directors' resolution, and we believe that it is a reasonable and not particularly advantageous price for the Eligible Directors.

(Reference) [Restricted Stock (RS) Management Flow in an RS Program]

