



July 11, 2025

Company name: SYSTEM RESEARCH CO., LTD.
Representative: Hiroshi Hirayama, Representative Director
and President
(Securities code: 3771, Tokyo Stock Exchange Prime Market and Nagoya
Stock Exchange Premier Market)
Contact: Yoshinobu Ohta, Director, Senior Executive
Manager, Administrative Division
Phone: +81-52-413-6820 (main number)

Notice Regarding Disposition of Treasury Shares as Restricted Stock Compensation

SYSTEM RESEARCH CO., LTD. (the “Company”) hereby announces that its Board of Directors, at a meeting held on July 11, 2025, resolved to dispose of treasury shares as restricted stock compensation (the “Disposition of Treasury Shares” or the “Disposition”).

1. Summary of the Disposition

(1)	Scheduled disposition date	August 8, 2025
(2)	Class and number of shares to be disposed of	19,250 shares of the Company’s common stock
(3)	Disposition price	1,865 yen per share
(4)	Total disposition amount	35,901,250 yen
(5)	Allottees	Six Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors); 19,250 shares in total

2. Purpose and reason for the Disposition

At the meeting held on May 8, 2025, the Board of Directors of the Company resolved to introduce a new compensation plan (the “Plan”) for its Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter, the “Eligible Directors”). The purpose of the Plan is to provide incentives that contribute to the sustainable enhancement of the Company’s corporate value and to further promote shared value between the Eligible Directors and shareholders. Under the Plan, shares of the Company’s common stock with certain transfer restrictions and provisions for gratuitous acquisition by the Company will be allotted to the Eligible Directors as restricted stock compensation.

In addition, at the 45th Annual General Meeting of Shareholders held on June 25, 2025 (the “General Meeting”), shareholders approved the payment of monetary compensation claims of up to ¥45 million per year, separate from the existing framework for monetary compensation to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors), to be used as contribution assets for the acquisition of restricted stock under the Plan. Shareholders also approved that the transfer restriction period for the restricted stock shall be the period from the allotment date until the later of the date the Eligible Director resigns from the position of Director of the Company, or the date on which the securities report for the business year to which the allotment date belongs (or, if the allotment date falls within six months from the beginning of the business year, the semi-annual report for that business year) is filed.

An outline of the plan is as follows:

Outline of the Plan

Under the Plan, each Eligible Director shall contribute in-kind the entire amount of the monetary compensation claims granted by the Company and receive an allotment through issuance or disposal of the Company's common stock.

The total amount of monetary compensation claims to be granted to the Eligible Directors under the Plan shall be up to ¥45 million per year, separate from the existing compensation framework. The total number of shares of the Company's common stock to be issued or disposed of under the Plan (hereinafter, the "Allotted Shares") shall be up to 25,000 shares per year. However, if an event such as a stock split, gratis allotment of shares, or stock consolidation occurs and an adjustment to the number of shares is deemed necessary, the number of Allotted Shares may be reasonably adjusted.

In addition, the per-share paid-in amount for the Company's common stock issued or disposed of under the Plan shall be determined by resolution of the Board of Directors of the Company based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors concerning the allotment of the Allotted Shares (or the closing price on the most recent trading day if there is no closing price on that date), and within a range that is not particularly advantageous to the Eligible Directors receiving the shares.

In addition, when issuing or disposing of the Company's common stock under the Plan, the Company and the Eligible Directors shall enter into a Restricted Stock Allotment Agreement (hereinafter, the "Allotment Agreement"), which shall include, among other things, the following provisions:

- i) The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the shares of the Company's common stock allotted under the Allotment Agreement for a predetermined period
- ii) In the event certain specified conditions are met, the Company shall acquire the allotted shares without consideration.

Today, the Board of Directors of the Company has resolved to grant a total monetary compensation claim of 35,901,250 yen (hereinafter, the "Monetary Compensation Claim") to six Eligible Directors, as restricted stock compensation for the period from the General Meeting to the annual general meeting of shareholders scheduled to be held in the following year. Each Eligible Director will contribute the entire amount of the Monetary Compensation Claim in kind and, in return, will be allotted a total of 19,250 shares of the Company's common stock as restricted stock. The amount of the Monetary Compensation Claim to be granted to each Eligible Director has been determined based on a comprehensive assessment of the Company's performance, the roles and responsibilities of each Director, and other relevant factors. The grant of the Monetary Compensation Claim shall be conditional upon the Eligible Directors entering into the Allotment Agreement with the Company, which shall include the provisions described below.

3. Summary of the Allotment Agreement

- (1) Transfer restriction period

The period from August 8, 2025, until the date the Eligible Director resigns from the position of Director of the Company (however, if the resignation occurs on or before the submission date of the semi-annual securities report for the fiscal year in which the Allotted Shares (as defined below) are delivered, the period shall extend until the submission date of such semi-annual securities report).

During the above-defined transfer restriction period (hereinafter, the “Transfer Restriction Period”), the Eligible Directors shall not transfer to a third party, create a pledge or security interest on, make a gift during their lifetime, bequeath, or otherwise dispose of the restricted shares allotted under the Allotment Agreement (hereinafter, the “Allotted Shares”). Such restriction is hereinafter referred to as the “Transfer Restriction.”

(2) Lifting of transfer restrictions

The Company shall lift the transfer restrictions on all of the Allotted Shares upon the expiration of the Transfer Restriction Period, provided that the Eligible Director who received the allotment of the Allotted Shares has continuously held the position of Director of the Company throughout the period from the date of the General Meeting until the date of the next annual general meeting of shareholders (hereinafter, the “Service Period”).

(3) Treatment in the event of resignation during the Service Period for legitimate reasons

If an Eligible Director resigns from the position of Director during the Service Period due to reasons deemed legitimate by the Company’s Board of Directors, the number of Allotted Shares for which the transfer restrictions will be lifted, as well as the timing of such lifting, shall be reasonably adjusted as necessary.

(4) Gratuitous acquisition of restricted shares

If an Eligible Director who has received an allotment of the Allotted Shares resigns from the position of Director of the Company before the expiration of the Transfer Restriction Period, the Company shall, unless there is a reason deemed legitimate by the Board of Directors, automatically acquire the Allotted Shares at no cost. In addition, if, as of the expiration of the Transfer Restriction Period described in (1) above, there are any Allotted Shares for which the transfer restrictions have not been lifted under the provisions of (2) and (3) above, the Company shall likewise automatically acquire such shares at no cost.

(5) Treatment in the event of reorganization

If, during the Transfer Restriction Period, matters relating to a reorganization, such as a merger agreement under which the Company will become a dissolving entity, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or other similar forms of organizational restructuring, are approved at a shareholders meeting of the Company (or, if shareholder approval is not required for the relevant reorganization, by resolution of the Board of Directors), the Company shall, by resolution of the Board of Directors, lift the transfer restrictions on a reasonable number of the Allotted Shares prior to the effective date of the reorganization, taking into account the period from the start of the Service Period through the date of such approval. In such

cases, the Company shall automatically acquire, at no cost, any Allotted Shares that remain subject to transfer restrictions immediately after the transfer restrictions are lifted.

(6) Management of the Allotted Shares

To ensure that the Allotted Shares cannot be transferred, pledged, or otherwise disposed of during the Transfer Restriction Period, each Eligible Director shall open a dedicated account with the financial instruments firm designated in advance by the Company (Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.), and the shares shall be managed in that account until the transfer restrictions are lifted.

4. Basis for calculation of the disposal price and specific details thereof

The disposal price has been set at 1,865 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on July 10, 2025 (the business day immediately preceding the date of the Board of Directors resolution), in order to eliminate arbitrariness. This reflects the market price immediately before the date of the Board resolution and is considered reasonable and not particularly favorable to the recipients.