



September 20, 2024

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Notice Concerning Disposal of Treasury Shares through Third-Party Allocation for Stock-Based Compensation Plan

We hereby announce that Yokogawa Bridge Holdings Corp. (the “Company”) resolved to dispose of its treasury shares as stock-based compensation (hereinafter referred to as the “Treasury Share Disposal”) by the written resolution dated today in lieu of the resolution of the Board of Directors under Article 370 of the Companies Act.

1. Overview of the disposal

(1)	Date of the disposal	October 8, 2024 (scheduled)
(2)	Type and number of shares to be disposed of	250,000 common shares of the Company
(3)	Disposal value	2,630 yen per share
(4)	Total disposal value	657,500,000 yen
(5)	Planned assignee	Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trust trustee: Custody Bank of Japan, Ltd. (Trust Account))
(6)	Other	The Treasury Share Disposal is subject to the condition that the notification filed under the Financial Instruments and Exchange Act takes effect.

2. Purpose and reason for the disposal

At the meeting of the Board of Directors held on May 14, 2018, the Company resolved to establish a stock-based compensation plan (hereinafter referred to as the “Plan”). The aim is to make the linkage between compensation for Directors of the Company (excluding part-time Directors and Outside Directors) and the Company’s share value clearer, and increase Directors’ awareness of the need to help improve the Company’s medium- to long-term performance and increase its corporate value by sharing with shareholders the benefits and risks associated with share price fluctuations. The establishment of the Plan was approved and resolved at the 154th Annual General Meeting of Shareholders held on June 27, 2018. In addition, the continuation of the Plan

was resolved at the meeting of the Board of Directors held on June 21, 2021, and the persons eligible for the Plan were changed to “Directors excluding Outside Directors” by the approval and resolution of the 158th Annual General Meeting of Shareholders held on June 28, 2022. Meanwhile, the persons eligible for the Plan were changed to “Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)” by the approval and resolution of the 160th Annual General Meeting of Shareholders held on June 26, 2024, and the continuation of the Plan was resolved at the meeting of the Board of Directors of the Company held on the same day. As a result, the Plan has been continued to the present.

A plan similar to the Plan has been established for Executive Officers of the Company and Directors (excluding part-time Directors) and Executive Officers of the Company’s subsidiaries (hereinafter collectively referred to as “Directors, etc.” including Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)).

For an overview of the Plan, please refer to “Notice on Abolition of the Retirement Benefit Plan for Officers and the Introduction of the Share-Based Remuneration Plan” dated May 14, 2018.

The Treasury Share Disposal is to be made to Sumitomo Mitsui Trust Bank, Limited (Trust Account) (re-trust trustee: Custody Bank of Japan, Ltd. (Trust Account)), which is the trustee of the trust already established for the establishment of the Plan (hereinafter referred to as the “Trust”).

The number of shares to be disposed of is equivalent to the number of shares expected to be delivered to Directors, etc., in accordance with the share delivery regulations already established by the Company and its subsidiaries upon the establishment of the Plan, taking into consideration the position and composition of the Company’s Directors, etc. during the extended trust period. The size of their dilution is 0.58% of 43,164,802 shares issued and outstanding in total as of June 30, 2024 (0.61% of 408,193 voting rights in total as of June 30, 2024; both ratios were rounded off to two decimal places).

The Company believes that the Plan will clarify the linkage between the compensation for the Company’s Directors, etc. and the Company’s share value, leading to an increase in the Company’s corporate value over the medium- to long-term. The Company also believes that the number of shares to be disposed of and the size of their dilution under the Treasury Share Disposal are reasonable and have only a minor impact on the secondary market.

(Reference) Overview of the trust agreement for the Trust

Settlor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trust trustee: Custody Bank of Japan, Ltd.)
Beneficiary	Directors, etc. who meet the beneficiary requirements
Trust administrator	Third party independent of the Company and its officers
Exercise of voting rights	Voting rights pertaining to the Company’s shares in the Trust shall not be exercised throughout the trust period
Type of trust	Money deposited other than money in trust (third party benefit trust)
Trust agreement date	August 21, 2018
Trust period	From August 21, 2018, to August 31, 2027 (scheduled)
Purpose of trust	Delivery of the Company’s shares to beneficiaries in accordance with the share delivery regulations

3. Basis and details of the calculation of the disposal value

The Company set the disposal value at 2,630 yen, which is the closing price on the Tokyo Stock Exchange on September 19, 2024 (the business day immediately prior to the date of the Board of Directors' resolution), in order to eliminate arbitrariness in light of recent share price trends. The Company uses the closing price on the business day immediately prior to the date of the Board of Directors' resolution because it is the market value immediately prior to the date of the Board of Directors' resolution and the Company determined that it was highly objective and reasonable as the basis for calculation.

The said value deviates $\triangle 0.60\%$ from the average closing price of 2,646 yen (rounded down to the nearest yen) for the most recent one-month period prior to the business day immediately prior to the Board of Directors' resolution (from August 20, 2024, to September 19, 2024), $\triangle 1.39\%$ from the average closing price of 2,667 yen (rounded down to the nearest yen) for the most recent three-month period (from June 20, 2024, to September 19, 2024), and $\triangle 3.94\%$ from the average closing price of 2,738 yen (rounded down to the nearest yen) for the most recent six-month period (from March 21, 2024, to September 19, 2024) (all the deviation rates were rounded off to two decimal places).

Taking the above into consideration, the Company believes that the disposal value for the Treasury Share Disposal is reasonable and is not particularly favorable to the planned assignee.

The Audit and Supervisory Committee (consisting of three members, two of whom are Outside Directors) expressed the opinion that the basis for calculating the said disposal value was reasonable and that the said disposal value was not particularly favorable to the planned assignee and was therefore legitimate.

4. Matters concerning procedures under the Code of Corporate Conduct

Because (1) the dilution ratios under the Treasury Share Disposal are less than 25% and (2) the Treasury Share Disposal does not lead to a change of controlling shareholders, it is not necessary to take the procedures of receiving an opinion from an independent third party and confirming the intent of shareholders as stipulated by Rule 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.