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Company name: Helios Techno Holding Co., Ltd.
Stock code: 6927
Stock exchange listing: Tokyo Stock Exchange, Standard Market
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Announcement of Sale of Treasury Shares as Restricted Stock Compensation

The Board of Directors of Helios Techno Holding Co., Ltd. approved a resolution on June 21, 2023 to sell treasury shares as follows.

1. Summary of sale of treasury shares

(1) Deadline	July 19, 2023
(2) Type and number of shares	Helios Techno common stock: 3,496 shares
(3) Price	1,001 yen per share
(4) Total proceeds	3,499,496 yen
(5) Purchasers and number of shares	Two Directors of Helios Techno (excluding Outside Directors): 3,496 shares

2. Purpose and reasons for the sale of treasury shares

On May 9, 2019, the Helios Techno Board of Directors approved a resolution to establish a restricted stock compensation plan (the “Compensation Plan”) for Directors excluding Outside Directors (the “Directors Covered by the Plan”). The objective of the Compensation Plan is to further increase the sharing of value with shareholders by offering incentives to the Directors Covered by the Plan for sustainable growth of corporate value. At the 43rd General Meeting of Shareholders that was held on June 21, 2019, shareholders approved a resolution to pay the Directors Covered by the Plan up to 30 million yen in the form of monetary claims that are used to purchase restricted stock in accordance with the terms of the Compensation Plan. Shareholders also approved a provision that gives the Board of Directors the authority to set the mandatory holding period of the restricted stock anywhere between three and 30 years.

The following section is a summary of the terms of the Compensation Plan.

Overview of the Compensation Plan

Directors Covered by the Plan use all monetary compensation claims received from Helios Techno through the Compensation Plan as payment for receiving newly issued or existing common stock of Helios Techno. The annual limit for newly issued or existing common stock of Helios Techno that can be distributed through the Compensation Plan is 50,000 shares. The amount to be paid per share shall be determined at the Board of Directors based on the closing price of the common stock of Helios Techno in the Tokyo Stock Exchange on the business day immediately prior to the date of the corresponding resolution of the Board of Directors (if the Helios Techno’s shares were not traded that day, the closing price on the most recent preceding trading day) within the amount not particularly advantageous to the Directors Covered by the Plan who underwrite said common stock.

When newly issued or existing common stock of Helios Techno is distributed through the Compensation Plan, a Director Covered by the Plan must sign a restricted stock allocation contract with Helios Techno that includes the following terms: (1) During the designated period, the common stock of Helios Techno allocated in accordance with the restricted stock allocation contract cannot be sold, pledged as collateral or transferred to another owner in any way; (2) In certain specified events, Helios Techno may acquire the common stock under the Compensation Plan at no cost.

The total amount of monetary compensation claims, which is 3,499,496 yen, and the number of shares of common stock to be distributed by the Compensation Plan, which is 3,496 shares, were determined based on the purposes of this plan, the performance of Helios Techno, the scope of duties of the Directors Covered by the Plan and other applicable items. The mandatory holding period is 30 years for the purpose of achieving the objective of the Compensation Plan, which is to increase the sharing of value with shareholders from a medium to long-term standpoint.

In accordance with the terms of the Compensation Plan, the two Directors Covered by the Plan will use all of the monetary compensation claims received in order to purchase the Helios Techno common stock allocated for this purpose (the “Compensation Plan Stock”). Section 3. contains a summary of the restricted stock allocation contract that all Directors Covered by the Plan must sign in order to purchase the Compensation Plan Stock.

3. Summary of the restricted stock allocation contract

(1) Mandatory holding period: July 19, 2023 to July 18, 2053

(2) Conditions for end of restriction on sale

For each Director Covered by the Plan, the restriction on the sale of all Compensation Plan Stock will end upon the completion of the mandatory holding period if, during this entire period, the person holding this stock is continuously a Director, Executive Officer who is not concurrently a Director, Audit & Supervisory Board member or employee or in a similar position at Helios Techno or one of its subsidiaries.

(3) When a Director Covered by the Plan resigns or retires during the mandatory holding period due to reaching the end of a term as director or mandatory retirement age or for another legitimate reason

1) Time of end of restriction on sale

When a Director Covered by the Plan resigns or retires due to reaching the end of a term as director or mandatory retirement age or for another legitimate reason (excluding in the event of death) as a Director, Executive Officer who is not concurrently a Director, Audit & Supervisory Board member or employee or in a similar position at Helios Techno or one of its subsidiaries, the restriction on the sale of the Compensation Plan Stock ends immediately after the resignation or retirement. In the event of the death of a Director Covered by the Plan, the restriction on the sale of that stock will end at a time to be determined by the Board of Directors.

2) Number of shares to which the end of the restriction applies

The number of shares to which the end of the restriction applies is calculated by multiplying the number of shares of the Compensation Plan Stock held at the time of the resignation or retirement explained in the preceding section 1) by the number obtained by dividing by 12 the number of months the person who resigned or retired was a Director Covered by the Plan (including the month of the 47th General Meeting of Shareholders and the month of the retirement or resignation). However, the number of shares is multiplied by one if this division results in a number larger than one. Any fraction of one share resulting from this calculation is rounded down.

(4) Acquisition of restricted stock by Helios Techno at no cost

Upon the completion of the mandatory holding period or the end of the restriction on sale explained in the preceding item (3), Helios Techno naturally has the right to acquire at no cost any Compensation Plan Stock for which the restriction on sale is still valid.

(5) Custody of restricted stock

During the mandatory holding period, the Compensation Plan Stock will be placed in accounts established by the Directors Covered by the Plan specifically for this purpose at Nomura Securities Co., Ltd. These accounts ensure that the Directors Covered by the Plan do not sell, pledge as collateral or transfer to another owner in any way the Compensation Plan Stock. To ensure the effectiveness of the stock sale restrictions, Helios Techno signed contracts with Nomura Securities concerning the management of the accounts used for the custody of the Compensation Plan Stock held by each Director Covered by the Plan. Also, the Directors Covered by the Plan have agreed to the terms for managing these accounts.

(6) Measures in the event of a reorganization or similar action

The Board of Directors may approve a resolution that ends the restriction on the sale of restricted stock immediately prior to the business day before the effective date of reorganization, etc. in the event that, during the mandatory holding period, the General Meeting of Shareholders (or Board of Directors if the approval of shareholders is not required) approves a resolution for a merger in which Helios Techno is dissolved, an exchange of stock, stock transfer plan or other reorganization or similar action that makes Helios Techno a wholly owned subsidiary. Based on the Board of Directors' resolution, the number of shares of Compensation Plan Stock held when a reorganization, etc. is approved that can be sold is calculated by multiplying the total number of these shares held on the approval date by the number obtained by dividing by 12 the number of months including the month of the 47th General Meeting of Shareholders and the month in which the reorganization, etc. was approved. However, the number of shares is multiplied by one if this division results in a number larger than one. Any fraction of one share resulting from this calculation is rounded down. Immediately after the restriction on the sale of these shares ends, Helios Techno naturally has the right to acquire at no cost any Compensation Plan Stock for which the restriction on sale is still valid.

4. Basis of calculation and information about the price per share

Individuals who are to receive the Compensation Plan Stock obtained through the sale of treasury shares will use monetary compensation claims received from Helios Techno as the payment for the restricted stock compensation for the fiscal year ending in March 2024 in accordance with the Compensation Plan. To eliminate any ambiguity about the purchase price of these treasury shares, the price is 1,001 yen, the closing price of Helios Techno common stock on the Standard Market of the Tokyo Stock Exchange on June 20, 2023, which is the business day prior to the Board of Directors resolution concerning the sale of treasury shares. Helios Techno believes this is a reasonable price that is not significantly advantageous because the purchase price is the market price immediately prior to the Board of Directors resolution.