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To Whom It May Concern,

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**Notice: Regarding Disposal of Treasury Stock with Restricted Stock Compensation for Employees of Insource Co., Ltd. and Its Subsidiaries**

Insource Co., Ltd. (the "Company") hereby announces that at its Board of Directors meeting, held on January 26, 2024, it resolved to dispose of treasury stock (hereinafter the "Disposal of Treasury stock" or the "Disposal") for the restricted stock compensation.

1. Overview of the Disposal

( 1 )	Disposal date	April 1, 2024
( 2 )	Class and number of stock to be disposed of	Common stock of the Company: 61,600 shares
( 3 )	Disposal Amount	838 yen per share
( 4 )	Total Disposal Amount	51,128,000 yen
( 5 )	Allottees and Number thereof, Number of Stocks to be Disposed of	Employees of the Company: 46,400 shares to be allotted to 147 persons Directors of its Subsidiaries: 200 shares to be allotted to 1 person Employees of its Subsidiaries: 15,000 shares to be allotted to 58 persons

2. Purposes and Reasons for Disposal

At its meeting of the Board of Directors, held on January 25, 2021, the Company resolved to establish a new remuneration plan, the Restricted Stock Compensation Plan (the "Plan"), for employees of the Company and directors and employees of its subsidiaries who meet the prescribed requirements (hereinafter the "eligible employees") to provide them with incentives to continuously improve the value of the Company and to further promote shared value with shareholders. The overview of the Plan is as follows.

**【Overview of the Plan】**

The eligible employees will pay all of the monetary remuneration claims paid by the Company and its subsidiaries under the compensation plan as contribution in kind and receive the issuance or disposal of the Company's common stock.

The price to be paid in for restricted stock to be issued or disposed of under the Plan shall be determined by 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 day of the resolution of the Board of Directors of the Company (or the closing price of the most recent business day if no trading on the day above), to the extent that the amount is not particularly advantageous to the eligible employees.

In the event that the Company issues or disposes of the Company's common stock under the Plan, the Company and the eligible employees shall enter into an allotment agreement of restricted stock (hereinafter the "Allotment Agreement"), which shall include the following matters:

- a. The eligible employees may not transfer, grant security interests in, or otherwise dispose of the common stock of the Company allotted to them under the Allotment Agreement for a predetermined period.
- b. In the event that certain events occur, the Company may acquire the relevant common stock without compensation.

Under the resolution of the meeting of the Board of Directors and consultation with directors of subsidiaries held today, it decided to provide the total sum of the monetary compensation claims of 38,883,200 yen for 147 employees of the Company and 12,737,600 yen for 59 executive officers and employees of its subsidiaries. The eligible employees will receive 61,600 shares of the Company's common stock as all the monetary compensation claims by contribution in kind. The amount of the monetary compensation claim is determined by the Company considering various factors such as the business performance of the Company and the responsibilities of each eligible employee, etc. In addition, the monetary compensation claims will be paid according to the terms of the below allotment agreement concluded between the eligible employees and the Company.

### 3. Overview of the Allotment Agreement

#### a. Restricted Period: From April 1, 2024 to March 31, 2027

During the above period of transfer restriction (hereinafter the "restriction period"), the eligible employees shall not be able to assign, pledge, grant a security interest in, give a living will to, bequeath, or otherwise dispose of any allotted shares (hereinafter the "allotted shares"), to any third party. (Hereinafter the "Transfer Restriction")

#### b. Conditions for lifting transfer restriction

The Company will lift the restriction on transfer of the allotted shares upon expiration of the restriction period, provided that the eligible employees, have continuously served as any of the positions of director, executive officer or employee of the Company or its subsidiaries.

However, if the eligible employee retires or resigns from the above-mentioned position (including retirement due to expiration of term of office, mandatory retirement age, or death; if the eligible employ is rehired after retirement, at the time of expiration of the relevant re-employment period) during the restriction period, the Company will naturally acquire all of the allotted shares at that time without compensation.

#### c. Acquisition of Restricted Stock without Compensation

The Company will naturally acquire the Allotted Shares, for which the restrictions on transfer are not lifted, without compensation at the time of the lifting of the restrictions on transfer shown in (b) above.

d. Treatment in the event of organizational restructuring, etc.

If a matter concerning the organizational restructuring etc. of the Company, such as a merger agreement whereby the Company will be the non-surviving party to the merger, or a share exchange agreement or share transfer plan whereby the Company will become a wholly-owned subsidiary of another entity, is approved at the Company's General Meeting of Shareholders (or by the Company's Board of Directors if such organizational restructuring, etc. does not require approval at a Company's General Meeting of Shareholders) during the transfer restriction period, the Company will remove the transfer restriction on the allotted shares on a date prior to the effective date of such organizational restructuring, etc. In the case stipulated above, the Company will naturally acquire the allotted shares without compensation at the time immediately after the transfer restriction is removed, where the transfer restriction has not yet been removed.

However, notwithstanding the above provisions, if the time immediately prior to the business day immediately prior to the effective date of the restructuring, etc. is no later than January 1, 2025, the Company will naturally acquire all of the allotted shares without compensation.

e. Management of the allotted shares

To prevent the allotted shares from being transferred, collateralized, or otherwise be disposed of during the transfer restriction period, the allotted shares shall be managed by a specified securities firm during the transfer restriction period in a dedicated account opened by each eligible employee, at Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

4. Basis for Calculating the Amount to be Paid and its Specific Details

To avoid arbitrary pricing, the disposal price for the disposal of treasury stock shall be set at 838 yen, which is the closing price of a share of the Company's common stock in the Tokyo Stock Exchange on January 25, 2024 (The business day immediately preceding the day of the resolution of the Board of Directors of the Company). This is the market share price immediately prior to the date of the resolution, and the Company believes that it is a reasonable and not particularly advantageous price.

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